



FEDERAL BUREAU OF INVESTIGATION

JOSEPH P. KENNEDY

PART # 2 of 2

PAGES AVAILABLE THIS PART 270



# FEDERAL BUREAU OF INVESTIGATION

## **FILES CONTAINED IN THIS PART**

FILE #	PAGES AVAILABLE
<u>CROSS REFERENCES</u>	270

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and  
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SUBJECT JOSEPH P. KENNEDY

FILE NUMBER CROSS- REFERENCES



Federal Bureau of Investigation

**FILE DESCRIPTION**

**SUBJECT:** JOSEPH P. KENNEDY

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REC 64

Mr. Tolson ✓  
 Mr. Boardman  
 Mr. Belmont  
 Mr. Mohr  
 Mr. Glavin ✓  
 Mr. Parsons ✓  
 Mr. Rosen ✓  
 Mr. Tamm  
 Mr. Trotter  
 Mr. Clayton  
 Tele. Room  
 Mr. Holloman  
 Miss Gandy  
 W. C. Sullivan

(b) (7)(c)

UPIWAS2

ADD 12 ADAMS

THE LATEST ACCUSATIONS CAME AMIDST THESE OTHER DEVELOPMENTS:  
 --FOX TESTIFIED HE RECEIVED A \$500,000 LOAN FROM JOSEPH P. KENNEDY,  
 FATHER OF SEN. JOHN F. KENNEDY (D-MASS.), AFTER THROWING HIS PAPER  
 TO THE YOUNGER KENNEDY'S SUPPORT IN THE 1952 ELECTION CAMPAIGN.  
 --FOX ACCUSED THE SEC OF HAVING LATER COMMITTED "CORPORATE MURDER"  
 OF HIS NEWSPAPER, AND OF HAVING DONE SO "WITH MALICE AFRORETHOUGHT."  
 IN HIS LETTER TO O'HARA, ADAMS AGAIN DENIED AS "ABSOLUTELY FALSE"  
 THAT GOLDFINE HAD EVER FINANCED ANY SECURITY FOR HIM, OR INDULGED IN  
 ANY SPECULATION WHATEVER IN HIS BEHALF.

ADAMS SAID THAT HE DOES NOT "NOW HAVE, NOR HAVE I EVER HAD ANY  
 FINANCIAL INTEREST IN ANY PROPERTY OR INVESTMENT, BUSINESS OR  
 UNDERTAKING IN WHICH HE (GOLDFINE) HAS AN INTEREST."

FOX TOLD THE SUBCOMMITTEE GOLDFINE HELPED POLITICIANS OF BOTH PARTIES  
 INDISCRIMINATELY, AND SAID HE BELIEVES A CHECK OF CAMPAIGN CONTRIBUTION  
 WILL SHOW THAT HE MADE CAMPAIGN CONTRIBUTIONS TO 80 PER CENT OF ALL  
 MASSACHUSETTS OFFICIALS, STATE AND NATIONAL, IN THE PAST 20 YEARS.

THE ADAMS LETTER WAS WRITTEN ON WHITE HOUSE STATIONERY. IT WAS  
 DATED YESTERDAY.

IN IT, HE STATED THAT IT WAS "INCREDIBLE TO ME THAT ANY COMMITTEE  
 OF THE CONGRESS WOULD PERMIT A WITNESS TO USE THE COMMITTEE AS A FORUM  
 FOR MAKING SUCH VICIOUS AND IRRESPONSIBLE ACCUSATIONS."

THE SUBCOMMITTEE ADJOURNED SHORTLY AFTER NOON AND CHAIRMAN HARRIS  
 INSTRUCTED FOX TO RETURN FOR CROSS-EXAMINATION AT 10 A.M. MONDAY.  
 ONLY THIS MORNING THE SUBCOMMITTEE AGAIN HAD REJECTED A PLEA BY  
 GOLDFINE'S LAWYERS TO CONDUCT THE QUESTIONING OF FOX BEHIND CLOSED  
 DOORS. HOWEVER, IT HAD AGREED TO CONSIDER WHETHER TO DO SO LATER AS  
 THE NEED MIGHT DEVELOP.

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WASHINGTON CITY NEWS SERVICE

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available

Mr. PARDEUR, Mr. TOLSON  
MR. LADD  
MR. ROSEN  
MR. WINTERKORN  
MR. NICHOLS

This morning Assistant Attorney General Stanley Barnes called at my office and personally handed to me the attached undated memorandum from his office directed to the Bureau and requesting further investigation of the sugar industry. Judge Barnes stated that the reason he was handing it to me personally was because of its highly confidential nature in that it involved persons of national and international prominence, such as the former Ambassador to England Joseph P. Kennedy, Mr. John Roosevelt, Mr. James Roosevelt, and Mrs. Eleanor Roosevelt.

Judge Barnes stated that Special Agent [REDACTED] has been working upon this matter and apparently has done a very satisfactory piece of work up to date. (cc)

In view of the extreme importance of this matter I would like to have it given special attention seeing that the individuals concerned have assigned to the same to bring it to an early conclusion but with complete thoroughness. It also should be very carefully supervised by the Investigative Division of the Seal of the Government.

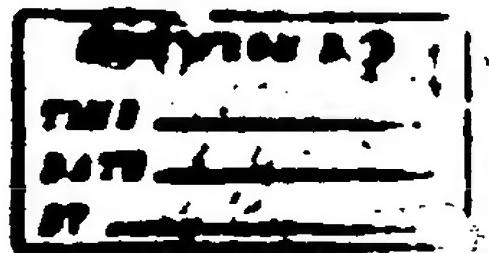
REINHOLD

60-4434-7. Very truly yours,

DEC 12 1941

REINHOLD

John Edgar Hoover  
Director



JEH:mrd

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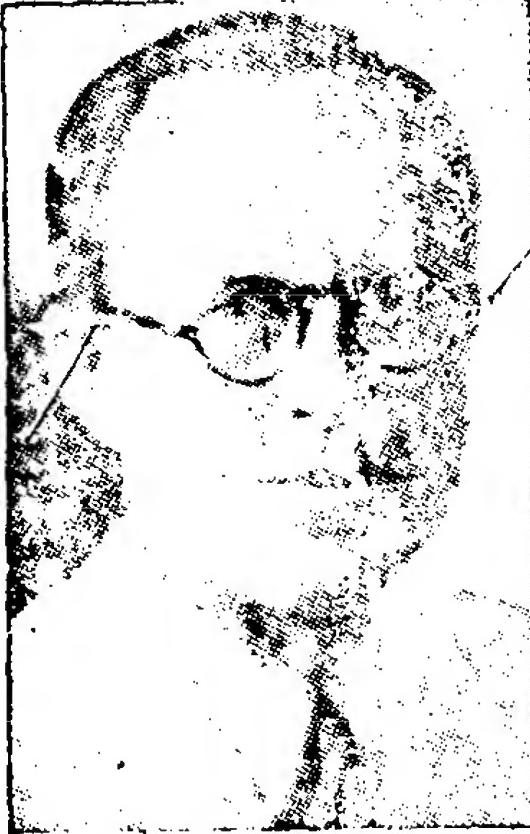
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# ROOSEVELT NAMES MARITIME GROUP

Nominations Sent to Senate.  
Selects Kennedy, Former  
S.E.C. Head, as Chairman.

President Roosevelt today sent to the Senate the nominations of the five men who are to comprise the United States Permanent Maritime Commission, designating Joseph P. Kennedy of New York, who was formerly chairman of the Securities and Exchange Commission, as chairman.

Besides Kennedy, who was nominated for the remainder of the unexpired term of two years from Sep-



JOSEPH P. KENNEDY.

tember 26, 1936, succeeding George Landick, Jr., the commission will be made up of the following:

Thomas M. Woodward of Pennsylvania, for the remainder of the unexpired term of three years from September 26, 1936, succeeding Montgomery M. Taylor.

Rear Admiral Henry A. Wiley, United States Navy, retired, for a term of four years from September 26, 1936, to which office he was appointed during the last recess of the Senate.

Edward C. Moran, Jr., of Maine,  
(See MARITIME, Page A-2.)

## Maritime

(Continued From First Page.)

former member of the House, appointed to the commission for a term of five years.

Rear Admiral Edward S. J. Gandy, United States Navy, retired, appointed for six years.

In announcing the nominations today, the White House made public a letter addressed to Senator Copeland of New York, chairman of the Senate Committee on Commerce, in which the President, just before the latter certain facts relative to the holding of 1,100 shares of Todd Shipyards, Inc., by Kennedy.

These facts in the President's letter explained that when Mr. Roosevelt several weeks ago requested Kennedy to serve as a member of the commission the latter advised him of his holdings in the Todd Shipyards, Inc., and raised a point that such holdings might affect his appointment.

The President's letter also explained to Chairman Copeland that he referred the matter of Mr. Kennedy's holdings to the Solicitor General of the United States, Stanley Reed, for opinion. And on March 3 Mr. Reed advised the President that in his opinion Mr. Kennedy is eligible to serve on the commission.

61-7550 - 530X16

## Kennedy as Maritime Chief Approved by Senate Group

Appointment of Joseph P. Kennedy as chairman, and four others as members of the Maritime Commission, was approved yesterday by the Senate Commerce Committee.

The nominations will be reported favorably to the Senate today for formal confirmation, which is expected to be voted tomorrow.

### Resolution Adopted

The committee's action came swiftly following passage of a joint resolution exempting Kennedy from the eligibility clause of the Copeland Marine Act. Under the Copeland law persons having had a financial interest in a shipping company, within three years, are ineligible for the commission. Immediately on his nomination, Kennedy informed the committee he held stock in the Todd Shipbuilding Company.

Republican and Democratic leaders alike indorsed the resolution which would pave the way for Kennedy's confirmation. High tribute to his recent service as chairman of the Securities and Exchange Commission, and to his qualifications for the shipping post was voiced by Majority Leader Robinson and Senator Vandenberg (R.), of Michigan.

### Praised by Vandenberg

"I am very anxious to see Mr. Kennedy confirmed. There are perfectly obvious reasons why the prohibition contained in the law should not apply in his case."

Senator Robinson told the Senate:

"Mr. Kennedy possesses unusual qualifications for this position. He is a man of proven ability and can bring to this office a wide experience which will be of invaluable aid to the Government."

Senator Copeland (D.), of New York, chairman of the Commerce Committee, declared delay in confirming the Kennedy nomination would endanger the Government's entire merchant marine program.

### New Ships Needed

He said:

"We have laid down a policy designed to promote the rebuilding of our merchant marine. Unless this program is successful, within 10 years there won't be a ship on the seas flying the American flag. We need a man such as Mr. Kennedy to get that program underway at the earliest moment."

Others whose nominations to the commission were approved by the Commerce Committee are Admirals Henry A. Wiley and Emery S. Lane, Edward C. Moran, former Representative from Maine, and Thomas H. Woodward of Pennsylvania.

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# ASK STOPPING OF PWA FUNDS FOR SHIPYARDS

**Curran, Glickstein Urge  
Federal Action in  
City Strike**

Joseph Curran, head of the National Maritime UNION, C.I.O., and Hyman N. Glickstein, attorney for the Industrial Union of Marine and Shipbuilding Workers, called on Joseph F. Kennedy, chairman of the United States Maritime Commission, yesterday, demanding that he withdraw immediately all government ship construction and repair from the Todd Shipyards Corp. and its subsidiaries.

The Robins Dry Dock Co. at Brooklyn and the Tietjen & Lang plant at Hoboken, both Todd subsidiaries, are among the 23 plants affected by the strike of 15,000 shipyard workers in the New York area, now in the eighth week.

Curran pointed out that necessary repair work on ships was being neglected or was being improperly performed by the inexperienced strikebreakers.

## **ENDANGER LIVES**

"This condition is seriously jeopardizing the lives of passengers and crews at sea," Curran said. "It is a condition which is being provoked entirely because of the arbitrary and illegal refusal of the companies to comply with the National Labor Relations Act and to sit down around a table and negotiate with their employees."

The "miniature Tom Girdlers," Curran said, should have all support withdrawn from them. He called attention to PWA funds that have been allotted for ship construction. Curran said that if early efforts are not made to bring about negotiations between the I. U. of M. S. W., the N. M. U will have to take prompt action to support the striking shipyard workers.

## **CITES MAYOR'S ACTION**

The action of Mayor LaGuardia in stopping all city work at the United Shipyards plants, which also takes a stubborn attitude against negotiating, was cited by Curran as the proper line of action.

Three strikebreakers were arrested at the Robins yards yesterday and a fourth was still sought last night for taking part in the beating of Peter Burban, a striker, while the latter sat on the porch of his home at 339 Van Brunt Ave., Brooklyn, Wednesday night.

Burban who was in a critical condition Friday, July 16, when police assaulted him brutally, was the chief witness in the hearing on the mayor's investigation of the police attack upon strikers at the Robins that day.

July 17, 1937

61-7550-573x2

# New Seamen's Union—Step for Labor Unity

## National Maritime Union Strengthens Cause of Progress

By Roy Hudson

For the first time in its history the powerful United Fruit Line has agreed to recognize the right of its seamen to organize and negotiate union agreements.

This victory over the notoriously open-shop United Fruit Company also marks the birth of a militant progressive union, the National Maritime Union.

The outcome of the recent United Fruit strike shows the correctness of the steps taken by the Eastern and Gulf sailors and stewards in forming the National Maritime Union. As members of the International Seamen's Union they had been deprived of all rights to determine who should represent them and how their union should be conducted.

They formed the National Maritime Union in order to maintain their organized strength and use it to secure recognition of their elected representatives, to conclude union agreements and improve wages and conditions. The United Fruit settlement shows that seamen, united into a powerful National Maritime Union, can achieve these aims.

### SAME FACTORS AS IN CIO

The same factors that brought about the birth of the Committee for Industrial Organization also made necessary the formation of the National Maritime Union. These factors are and were the undemocratic policies of the A. F. of L. reactionaries, their failure to organize the unorganized, their blind hatred of everything progressive and their opposition to industrial unionism.

Truly the record of the international officials of the ISU and of the Executive Council of the A. F. of L. shows that they have been the enemies of unity and progress. They have destroyed democracy in the ISU. They openly recruited scabs to break the historic seamen's strikes. They refused to recognize the officials democratically elected by the membership.

These labor parasites, during months of negotiations, refused to agree that honest democratic elections be conducted. They blocked the National Labor Relations Board from conducting elections to determine the collective bargaining agents of the seamen.

On Monday they secured an



ROY HUDSON

injunction restraining the elected officials of the Marine Cooks and Stewards Union from functioning as such. The effect of this injunction is to prevent the membership of the union from democratically determining who shall represent them and how their union shall be run. The membership of the Sailors Union are confronted with the same threat.

### GAINS JEOPARDIZED

Thus every gain and right of the seamen is jeopardized. Their gains are many. The tens of thousands of seamen are united behind the officials they democratically elected. Through their organized action, the seamen have forced practically every major steamship company to recognize and deal with their elected representative. Under the leadership of Joe Curran, Blackie Meyers, Jones, Jerry King and their other elected officials, the seamen have improved conditions, increased wages, organized the unorganized, and forced the United Fruit to deal with the union.

The policies of the repudiated officials and the effect of the injunction would wipe these things all out by robbing the seamen of their democratic rights, enslaving them to admitted strikebreakers and weakening their organized strength.

The seamen are determined to continue their march forward. Denied their democratic rights in the ISU, they had no other alternative but to constitute themselves as the National Maritime Union for the purpose of establishing democratic organization through which they could maintain their gains, secure recogni-

## Unity Convention Seen as Need to Pushing Many Gains

tion of their elected representatives and conclude union agreements.

### In STRONGER POSITION

United in the National Maritime Union, the tens of thousands of Eastern and Gulf seamen, who have conducted such a splendid, persistent fight, will be in a stronger position to defend their own interests, to cooperate with their brother marine unions, and to help in the formation of a national maritime federation.

Certainly the formation of the National Maritime Union strengthens the fight for a united national seamen's union. The undemocratic policies of ISU and A. F. of L. reactionaries has destroyed all semblance of a national organization of the seamen. Further, these bureaucrats no longer represent anyone. Certainly the seamen can expect little from these people in restoring a national seamen's union.

Only through the convening of a national unity convention by the district unions in the East, Gulf and Pacific will it be possible to hammer out a program and policy that will again unite all seamen into one national union. The consolidation of the new union of the Eastern and Gulf sailors and stewards will make such a convention realizable. And the members of the National Maritime Union are pledged to support such a policy.

The National Maritime Union is also correct in stating that such a unity convention is of vital importance in order that the seamen can nationally determine their attitude towards the C.I.O. This becomes an important question especially in view of the refusal, over a long period of time, of the A. F. of L. Executive Council, to recognize and protect the democratic rights of the membership of the ISU.

The unification of the Eastern and Gulf sailors and stewards in the National Maritime Union will strengthen the cause of progress and the fight for a united trade union movement. For this reason all progressive forces in the labor movement should give the new National Maritime Union their fullest support.

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# A Cure for Shipping Ills

"Doctor" Kennedy Making Diagnosis of Industry in Hope of Restoring it to Former Glory.



Harry Bridges, C. I. O. leader of Pacific Coast longshoremen.

BY JOHN C. HENRY.

AMERICAN shipping, an enterprise of romance and tradition for those who participate in it only casually, but one of livelihood and profits for its workers and operators, is undergoing an exhaustive exploratory operation.

Under the direction of Joseph P. Kennedy, one of the Nation's foremost practitioners at the art of curing sick industries, the new Maritime Commission is authorized to give the ailing American merchant marine a transfusion of cash and ships and working standards designed to restore it to its rank of pre-Civil War days as a world-wide leader on the seas.

True to the best standards of the healing profession, however, Dr. Kennedy is prescribing only temporary cures until such time as he has before him all the symptoms necessary for a complete and accurate diagnosis. From such diagnosis, it is hoped, a rejuvenation may be effected.

#### Authorities' Aid Enlisted.

Deciding after the commission found itself faced with a mass of unproved data and contradictory opinions, that it would be better to depend on information gathered by its own agents, the commission a few weeks ago enlisted the aid of such authorities as H. L. Seward, professor of mechanical and marine engineering at Yale University; Thomas H. Healy, dean of the School of Foreign Service at Georgetown, and Prof. Grover G. Huebner, specialist in commerce and transportation of the Wharton School of Finance. With these distinguished aides and advisers, the commission's own experts were set at work immediately to make a comprehensive survey of the shipping problem.

Because the present temporary operating subsidy contracts are due to expire at the end of this year and negotiations of long-term agreements are expected to get under way by November, the latest, Chairman Kennedy has impressed upon his survey group the necessity for speed as well as com-

prehensiveness. Results, he emphasizes, must be apparent within a few weeks and the study should be pretty well completed by the end of October.

The magnitude of this task as well as a picture of how much information is necessary before the ailments of our merchant marine may properly be diagnosed probably could be presented by no better means than skeletonizing the lines of inquiry now being pursued. Grouped into seven related subjects, an outline of the survey follows:

#### Foreign Trade:

1. Are ships subject to our own control necessary to insure uninterrupted movement of our exports and imports?

2. Do American vessels protect our traders against exorbitant rates or assure them of better service?

3. Does the merchant marine itself tend to develop new markets; in other words, does trade follow the flag?

4. Does the exportation of ship services (in other words the actual selling of water transportation at which we are at a disadvantage be-

cause of higher operating costs) produce our exports of other commodity which we can produce at an even profit?

#### National Defense:

1. What does the Navy require the way of auxiliary tonnage? Much of this tonnage is now available in protected trades?

2. What does the Army require the way of troop and supply ships?

3. What is the relationship between merchant shipping and the air services?

4. Is merchant shipping necessary to preserve the shipyards and the industry of building ships?

5. How important is communi-



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shipping as a source of trained men?

**Labor:**

1. How many people make their living but of subsidized shipping?

2. What are the earnings of workers in the shipping industry and how do they compare with those of other industries?

3. How do shipboard working conditions compare with those ashore and those on foreign vessels?

4. What can be done to protect shipping against costly interruptions to service?

5. What steps should be taken to develop a sea-going personnel?

6. Is there an adequate supply of trained shipyard labor and sufficient management ability to direct it?

**Capital:**

1. How much money has been invested in our present foreign-going fleet by private investors and by the Government?

2. What is the earning record and the reserves of American ship lines?

3. Is the industry sufficiently stable and profitable to attract large-scale investment, or can it be made so?

4. What areas are benefitted most by prosperous maritime commerce and where does the industry's annual expenditure of \$200,000,000 go?

**Requirements of United States:**

1. What do we need to protect our commerce and to serve as an auxiliary of defense?

2. What types, sizes and speeds best fit these requirements?

3. Should we build superliners?

4. What are the requirements of individual routes?

5. What is likely effect of recent aeronautical developments on shipping industry?

**Policy of United States:**

1. Should we build in private yards, Government yards, or both?

2. Can the ship operators raise necessary down payments for private building?

3. How can the public interest be safeguarded if Government builds ships for charter?

**Cost:**

1. It costs substantially more to build ships in the United States. To this difference must be added the subsidies enjoyed by foreign builders. What will be the total building cost?

2. It costs more to operate vessels under the American flag than under foreign flags. The amount of this difference, plus foreign operating sub-

sides, must be paid to domestic operators. What, then, will be the annual operating cost?

Obviously, it is impossible in a single newspaper article to present what facts already are known in connection with the many questions posed here. One of the Nation's "big" magazines devoted its entire September issue to the merchant marine problem, but doubtless Dr. Kennedy's special survey squad will develop considerable information not even anticipated.

It is a fact that the line of inquiry causing most concern to the commission is that into the labor factors involved.

Crossed with innumerable bitter rivalries, American maritime labor has been violently troubled for the last several years. Strikes, both authorized and unauthorized, have kept ships from sailing. Inter-

union fights among seamen and longshoremen or between them have hampered loading or unloading. And put

seaman Joe Curran building a militant National Maritime Union on the

Atlantic and Great Lake fronts. Taking in only the men who actually go to sea, the N. M. U. is co-operating closely on the Pacific Coast with those who stay ashore, namely the longshoremen members of the International Longshoremen and Warehousemen's Union, led by Harry Bridges.

The Pacific sailors, however, are still standing off any definite affiliation with either the A. F. of L. or the C. I. O. as they mill about under the leadership of Harry Lundeberg in the both authorized and unauthorized, Sailors Union of the Pacific. Once

they were members of the A. F. of L., but they felt their independent action

was hampered there so they walked

blocked the loading or unloading. And put

now Lundeberg fears the same

the industry now promises to be the

field of play for the most intense

strife yet staged between the C. I. O.

On the docks of the Atlantic Coast is the strongly-ruled International Longshoremen's Association of Joe Ryan, working with, but not domi-

**Building Militant Union.**

At the moment, as in other major industries, the C. I. O. appears to be making greatest headway with young

nated by, the leadership of the A. F. of L. As their instrument offshore in the Atlantic waters, the A. F. of L. has the International Seamen's Union, once a powerful voice for men who go down to the sea ships, but now badly raided by N. M. U. and in process of getting a face-lifting by the A. F. of L. strategists.

**Fully Aware of Problems.**

That medicine man Kennedy is fully aware of the grave problems resident in this complicated labor picture goes without saying.

"The labor situation is to be subject of special scrutiny," he marks in discussing the present survey. "Shipping gives employment to thousands of men, ashore and at sea. The industry in turn cannot prosper without the whole-hearted cooperation of labor. The Government, a partner in the business of shipping, wants American seamen to have the best possible conditions at ship and the fairest wages. At the same time, it cannot permit factionalism and disloyalty to jeopardize position in international shipping. The Nation has a stake in our maritime industry which transcends the interest of either capital or labor."

"The problems of their development must somehow be solved. We are to interest the investing public and maintain a competitive position at sea."

Already, on the Atlantic, Pacific and Gulf coasts, members of the commission have held extensive hearings on employment and wage conditions in ocean-going shipping as a basic determining factor in fair wages and working conditions.

**Conditions Described.**

Some of the testimony recently makes it more understandable why men who follow the sea feel it to be to their advantage to face their employers in masse.

In seagoing terms they told of living in crowded fo'c'sles where sanitation was impossible and vermin numerous, of inadequate toilet facilities and complete lack of bathing facilities, of garbage pails, companionways adjacent to quarters, of bunk sheets being changed only once a month, of less than sufficient food or poor quality, all being paid off in I. O. U.'s. They of employers' blacklists and of working conditions that a man might avoid by quitting his job, refusing to do his work. But overseas that would be mutiny, and they turned to organization.

That the oft-times hard-pressed ship owners find it financially difficult to correct some of these conditions probably true. Both sides hope Kennedy and his aides will find answers.



"Ships, cargoes and men are the three essentials to a profitable merchant marine."

## ~~LAND MAY HEAD~~ — MARITIME BOARD

Would Succeed Kennedy,  
New Envoy to Britain.

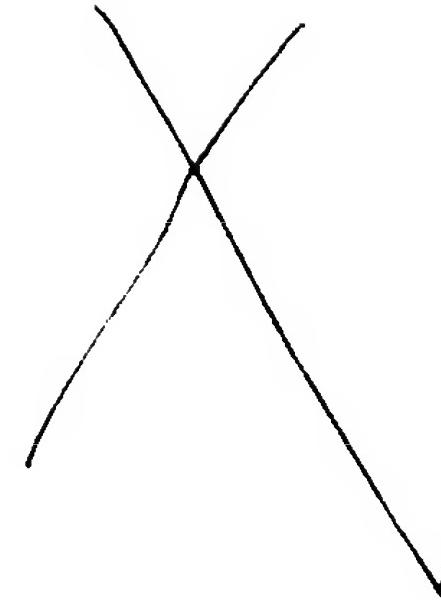
WASHINGTON, Jan. 8 (A. P.)—  
~~Friends of Rear Admiral Emory~~  
~~S. Land~~ revived talk today of his  
possible appointment to the chair-  
manship of the Maritime Commis-  
sion to succeed Joseph P. Ken-  
nedy.

President Roosevelt nominated  
Mr. Kennedy yesterday to be Am-  
bassador to the Court of St.  
James's, leaving open the \$12,000 a  
year post which Mr. Kennedy once  
referred to as the "toughest job"  
he had ever filled.

Admiral Land, retired chief of  
the Navy's Bureau of Construction  
and Repair, has been a member of  
the Maritime Commission since last  
April. In 1917 he was in close as-  
sociation with President Roosevelt,  
then Assistant Secretary of the  
Navy, and they have been friends  
for years. He is 58 years old.

Should Admiral Land become  
chairman, Representative Bland,  
Democrat, of Virginia, is expected  
to urge the appointment of Allan D.  
Jones of Newport News, Va., to his  
place on the commission. Mr.  
Jones now is assistant director of  
the Commerce Department's Bu-  
reau of Navigation and Marine in-  
spection.

Along with Mr. Kennedy's name,  
Mr. Roosevelt sent these other  
diplomatic nominations to the Sen-  
ate: Hugh R. Wilson, Assistant  
Secretary of State, to be Ambassa-  
dor to Germany; Joseph E. Davies,  
Ambassador to Soviet Russia, to be  
Ambassador to Belgium, and Nor-  
man Armour, Minister to Canada,  
to be Ambassador to Chile.



Clipping from  
INDEXED NEW YORK SUN

DATE: \_\_\_\_\_

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# Here's Kennedy's Address On Shipping Situation

Following, in part, is the text of the radio address from here last night by Joseph P. Kennedy, chairman of the Maritime Commission:

There has been some disposition out here, I understand, to regard the West Coast as the "forgotten man" of shipping. I want to assure you that there is no justification for this view. The members of the Maritime Commission are fully cognizant of the needs of the Pacific States. We have done, and will continue to do, everything within our power to protect the interests of this great area. Shipping, perhaps more than any other industry, must be viewed as a national enterprise. On no other basis can we justify the participation of the Federal Government.

Unfortunately, there are two factors that tend to militate against our efforts in behalf of Pacific Coast shipping. One is the fact that economic laws are no respector of regional boundaries. The other is our lack of authority to deal with some of the matters at issue.

There has been a great deal of discussion, not only on the Coast but in Washington, too, about the removal of Grace Lines' vessels from the intercoastal trade and the prospective removal of the Panama Pacific vessels. These vessels were built with Government loans and were operated, until recently, with the assistance of ocean mail contracts. They built up a splendid service, both passenger and freight, between the East and West Coasts.

## LOSSES OF \$5,300,000

The merchant marine act of 1936, which replaced the system of mail contracts with direct aid, provided that no vessels in domestic service should be eligible for subsidies. This meant a loss of more than \$400,000 a year in sub-

sidies for the Grace ships and an almost equal amount for the Panama Pacific vessels. Inasmuch as both lines were already operating at a loss, even with Government assistance, it is obvious that they could not possibly stay in the trade when the subsidies were withdrawn.

Panama Pacific losses for six and a half years in the intercoastal trade, we have been informed, aggregated \$5,300,000. These losses were incurred despite the payment of subsidies, which amounted to more than \$2,500,000 for the period. The actual operating deficit of the line amounted to nearly \$8,000,000. Can anyone blame the owner of this line for throwing up the sponge?

Many persons have felt that the Maritime Commission should do something to keep these vessels in the intercoastal trade. We are forced to point out that the mail contracts granted to the two intercoastal lines were widely criticized during the period when they were in force, and did much to undermine public support of the merchant marine act of 1928. Although the vessels in question made stops in foreign countries, they were regarded, and correctly so, as intercoastal carriers. They were, therefore, declared ineligible for aid under the 1936 act.

## Policy of Subsidies

The question is immediately asked: "Why not extend the scope of our shipping policy to include vessels in domestic trade?" The answer to that question, I fear, must be sought from Congress. The Maritime Commission, under the present law, has no jurisdiction over shipping in domestic trade.

The whole policy of ship subsidies, first off, is based on the theory that American operators require compensation to offset

the lower costs of foreign operation although direct grants have been given in the past (as witness the railroads), and although indirect aid is rendered today (such as highway development), the cash support of one form of transportation at the expense of others is an exceedingly ticklish proposition. I do not say that it hasn't been done, or that it can't be done. I want to emphasize, however, that such a course should not be undertaken without careful scrutiny of the objectives to be attained and possible repercussions upon other segments of the national economy.

Few nations have found it expedient to subsidize coastwise shipping services.

## What About Others?

Subsidizing one operator, or group of operators, immediately raises the question of what to do about the others. It would be manifestly unfair to assist one or two of the intercoastal lines and not extend the same treatment to all other operators in the trade. Furthermore, once we establish the principle of support for intercoastal lines, there is no logical reason why the procedure should not be extended to the coastwise lines.

The payment of subsidies to domestic operators would obviously arouse intense opposition on the part of rival transportation agencies. The railroads and busses would have every justification, it seems to me, for demanding similar relief.

Moreover, we must not lose sight of the fact that there are substantial elements of our population who do not believe in ship subsidies of any kind. The present shipping act was passed with a margin of only eight votes, despite the support of 20 West Coast legislators.

There is one aspect of the sit-

uation that I would like to emphasize. It is the fact that the Maritime Commission has been given the power to regulate shipping in the intercoastal trade. This is a power that should be used to the best advantage of the shipping industry. It is a power that should be used to the best advantage of the public. It is a power that should be used to the best advantage of the nation.

SAN FRANCISCO, CALIFORNIA

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uation, however, that may force us to reexamine the whole inter-coastal problem. That is the question of national defense. The President, concerned by the unsettled condition of world affairs, has urged Congress to strengthen our facilities for defense. The Merchant Marine is an integral part of the defense mechanism of the Nation.

Careful study of all possible contingencies indicates that the military forces would require, in the event of war with a major power, a minimum of 1000 merchant ships of all types, aggregating about 6,000,000 gross tons. These vessels would be required in the early stages of a conflict for technical military purposes and represent but a fraction of the number that would ultimately be necessary in case of prolonged hostilities.

## Available Ships

We now have available under the American Flag some 1400 seagoing vessels of 2000 gross tons or more. Four hundred of these vessels are engaged in foreign trade; nearly 800, including 300 tankers, are in domestic trade; approximately 200 are in lay up. It will thus be seen that the thousand vessels considered necessary for minimum military requirements are at present available, although the majority of the ships are old and slow and some do not meet technical requirements with regard to size. It will also be seen that more than half of the vessels are engaged in domestic service.

It appears, therefore, that the United States might well consider the subsidizing of vessels in domestic trade as a matter of national defense.

Another matter of great interest to the West Coast is ship construction. Although ~~there are~~ a number of yards capable of turn-

~~ing out ocean going vessels and~~ although many fine ships were launched here during the war period, this area has not participated to any great extent in the building of recent years.

The American merchant marine is rapidly approaching obsolescence. Hundreds of new vessels will be required during the next few years if we are to preserve any semblance of efficiency in the various trades, domestic and foreign. Some of this construction, it seems to me, should be undertaken in West Coast yards.

## Now Seeks Bids

I am glad to report that there is every indication that this will be the case. The commission is now seeking bids on 12 standardized freight ships.

West Coast shipyards, like the intercoastal lines, are victims of the inexorable laws of economics. The materials that go into a ship are so distributed as to give Eastern yards a decided advantage in construction costs. It is cheaper to assemble the materials in the East, build the ships there and then sail them to the Pacific than it is to transport iron and coal and machinery overland.

Over private construction the Commission has no control whatever. With regard to subsidized construction, however, we are permitted—under the 1936 act—to allow West Coast yards a differential of 6 per cent over the lowest bid received from any other section of the country. I do not think that this differential is sufficient to assure you any substantial volume of construction under ordinary circumstances. With the volume of work in prospect today, however, there is strong likelihood of considerable building coming to this section of the country.

## Permanent Value

~~The only way to assure~~ permanent volume of construction

~~for West~~ Coast yards. It appears is by allocation of a ~~definite~~ percentage of subsidized construction. The Maritime Commission, in that case, should be authorized to absorb the difference between your costs and those available elsewhere.

I have discussed the situation with the President and he feels very strongly that something should be done to maintain and even to expand West Coast facilities.

The Commission has received numerous inquiries relative to the treatment of certain lines serving the West Coast which formerly received subsidies under the mail contract system. Six mail contract lines which served Pacific Coast ports are no longer receiving subsidies. None of these lines, however, was denied a subsidy by action of the Maritime Commission.

## Line Discontinues

One line—The Tacoma Oriental Steamship Company — discontinued operations a year and a half before the Merchant Marine act of 1936 came into effect. Three lines—Grace, Panama Pacific and the Gulf Pacific Mail Line, Ltd. —were rendered ineligible in the provision in the act denying subsidies to vessels operating between port terminals in the United States. The two remaining lines—the Oceanic & Oriental Navigation Company and the States Steamship Company — did not choose to ask for Government aid. The first named line has been dissolved; the latter is operating without a subsidy.

I hope that this explanation will clear up any misunderstanding that may have developed over the attitude of the Commission toward lines serving the West Coast.

~~Three West Coast lines are now~~

being subsidized under the 1936 act. They are the Oceanic Steamship Company, a subsidiary of the Matson Line, serving Australasia; the American Mail Line, a Dollar Company, operating between Seattle and the Orient, and the Pacific Argentine & Brazil Line, familiarly known as PAB, which connects your ports with the East Coast of South America.

### Awarded Contract

The Oceanic company has just been awarded a 12-year subsidy contract, the first long term contract to be granted by the Commission.

The commission's determination to provide adequate service for all parts of the country is evidenced by the fact that representatives of the commission will shortly hold hearings at various ports on the three coasts. A member of the commission, with several assistants, will come to the West Coast. Hearings will open in San Diego on January 24 and will be held shortly thereafter at Los Angeles, Stockton, San Francisco, Portland, Tacoma and Seattle. The San Francisco meeting, which will include Oakland, will be held on February 2.

Perhaps the most serious of all problems confronting West Coast shipping today is the situation with regard to labor. I have been hoping that things would settle down out here and that there would be no repetition of the costly disruptions of the past. Upon stepping off the train this morning, however, I discovered that Seattle is again tied up by a strike, that you had some difficulty here yesterday, and that relations all along the coast are none too good.

### Why Ill Feeling

I do not know, of course, who is to blame for this situation; there is probably some responsibility on both sides. I do know, however, that a stable labor policy will have to be achieved—and that very soon—if the American merchant marine is to survive. In foreign trade, it is only a question of time—if some of the abuses of the past continue—until worried

travelers and disgusted shippers turn to foreign vessels, which have no such troubles as those which beset our ships. In the coastal and intercoastal services, patrons will turn to land transport.

Coming out here on the train, I got to wondering why there is always so much ill feeling between employer and employee. This relationship should be one of the utmost cooperation, for the welfare of both parties is dependent absolutely upon the measure of teamwork they are able to achieve. Yet they are constantly at sword's points.

When I sell a man some goods, and tell him that I am forced to raise the price, he doesn't immediately regard it as an act of war and have me thrown out of the place. He will receive my demand for higher prices dispassionately, as a matter of business.

### Cause of Laborer

Suppose, however, that I am a worker, selling the only thing I have to sell—my labor. I think that I should be getting more money, and perhaps working shorter hours. I go to the boss, either alone or in a group, and state my case. My case may be good, or it may be bad. It doesn't make much difference so far as the boss' reaction is concerned. He probably will regard my action as an unfriendly act. The first thing I know we are at war. The ship (or perhaps it is a plant or store) is idle. Wages are lost. Profits stop. Violence flares. Property is destroyed. Lives may be lost. Eventually I go back to work, but regardless of who wins, my relationship with the boss has been seriously impaired.

I have spoken from the standpoint of the worker because, it seems to me, his demands are more vital and should, therefore, be received with a sympathetic attitude even though the employer may not feel able to grant them. It must be admitted, of course, that the attitude of the worker is just as belligerent as that of the employer. It seems that we just cannot approach the employer-employee relationship with the same rationality that we employ in meeting the other problems of life.

Federal Bureau of Investigation  
United States Department of Justice  
1300 Biscayne Building  
Miami, Florida

February 16, 1944

Director, FBI

RE: GENERAL SURVEY;  
Miami, Florida;  
Miscellaneous;

ATTENTION: Assistant Director Al Rosen

Dear Sir:

In connection with the General Survey in the Miami Area concerning gambling and general activities of outstanding mobsters and racketeers, the following information is being set forth.

GENERAL CONDITIONS

For the past two years the Miami Area was comprised of a military zone and very little activity could be found such as gambling or vice. Such activities were restrained by the military and shore police in this Area and by the fact that blackout restrictions were maintained during the aforementioned period.

However, since the 1943 and 1944 winter seasons begun and as the Army and Navy were leasing the various night clubs and hotels, the Miami Area became a mecca for gambling to a great extent. The tourists are in possession of more money for gambling purposes due to war prosperity. It appears that this winter season in the Miami Area has brought an influx of mobsters with large sums of money to invest in gambling enterprises and individuals who never before have been seen in these parts.



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Director, FBI

2-16-44

MIAMI BEACH NIGHT CLUBS

Director, FBI

2-16-44

PARK AVENUE ROOM  
339 22nd Street  
Miami Beach, Florida

- 13 -

25

**Director, FBI**

2-16-44

This cocktail lounge is adjacent to the PARK AVENUE RESTAURANT and is operated by CHARLIE BLOCH and "WINGIE" GROBER, [REDACTED] In connection with BLOCH it should be noted that he is the Southern representative of the SOMERSET IMPORTERS from New York City. He is known to be a big figure in the liquor industry. It is of interest to note that the controlling interest of the SOMERSET IMPORTERS is owned by the former Ambassador to England, JOSEPH P. KENNEDY, who is head of this liquor company by his own admissions to the newspapers.

12

10

# Kennedy Hits Labor 'Chaos' On U.S. Ships

Retiring Maritime Board Head, in First and Last Report, Tells Why Operators Delay Building

Blames Sit-downs And Slipshod Work

Says No 'Lasting Cure' Is Possible Till Strife Between Unions Is Ended

From the Herald Tribune Bureau

WASHINGTON, Jan. 23.—The construction of new ships for the American merchant marine is held in check by "chaotic labor conditions, signalized by demands of crews, 'sit-down' and 'quicke' strikes, and slipshod performance of duties," according to Joseph P. Kennedy, chairman of the United States Maritime Commission, in his first and last report to Congress, released here today. Mr. Kennedy, who is expected to issue his last statement, as head of the commission this week, sails on February 9 to become Ambassador to the Court of St. James's.

Making what is believed to be his first utterance against the fight of the American Federation of Labor and the Committee for Industrial Organization in the maritime field, Mr. Kennedy, in his report, says that "no lasting cure will be effected until the jurisdictional strife now prevalent in maritime labor is terminated and a more co-operative arrangement is reached by the unions and the ship operators." The report covers the period from October 26, 1936, when the agency's duties started up under the merchant marine act of 1936, to October 25, 1937.

"A corollary to the problem of replacing vessels comprising the American merchant marine is the problem of providing them with satisfactory seagoing personnel," Mr. Kennedy said. "Despite the urgent need for new construction, private operators hesitate in the face of the present labor situation. The lack of order and discipline on board ship was sharply focused by the Algic incident, in which the refusal of seamen on board a government-owned vessel to perform their lawful duties compelled the commission to take prompt and decisive action." The situation still exists, the report states, "although the commission has recommended remedial legislation."

Legislation recommended by the commission to alleviate the labor situation includes the creation of a mediation board which would be similar to that provided under the railway labor act, and abolishment of the "archaic system" of signing members for each voyage and the substitution of a system of continuous employment of seamen. Both proposals have been opposed by maritime unions.

Seeing the replacement of a "rapidly aging" merchant fleet as one of the commission's major tasks, the report covers virtually all phases of the problems confronting the country's trade fleet and, it is expected, will serve as a working plan for the Senate and House committees now discussing new legislation.

Commenting on a replacement program for the country's trade fleet, the report points out that although the initial step in its construction program was taken in letting a contract for a 33,000-ton liner to replace the Leviathan, the "gla-

ring is the lack of modern cargo ships." No keel for a cargo vessel has been laid in this country since early in 1920, the report states pointing out that the first step to remedy this situation was taken with the design of an economical steel cargo vessel with a speed of 15 knots. The design, known as C-1, was prepared in collaboration with the Navy Department, Bureau of Marine Inspection and Navigation, American Bureau of Shipping and several well known naval architect and submitted to shipbuilders for suggestions as to its adaptability for use in various trades.

The immediate construction of twelve vessels of the C-2 design is contemplated, the report states adding that it is the commission's intention that "all vessels built under the merchant marine act of 1936 shall embody the highest standards of construction with respect to safety and fireproofing and shall represent a considerable advance above the standards adopted by the International Convention for Safety of Life at Sea." Other features include installation of the latest improvements in machinery and its location, adequate modern quarters for officers and crew, as well as the national defense features required by the act.

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The new liner to replace the ~~L~~  
~~Leviathan~~ being built by the United States Lines under an agreement with the commission whereby the shipping company was permitted to lay up the Leviathan, is expected to enter the trans-Atlantic trade in 1940. The new ship, under construction at the Newport News, Va., yards of the Newport News Shipbuilding and Dry Dock Company, will cost the United States Lines \$10,500,000, the commission's estimate of the foreign construction cost. Under the merchant marine act the commission will make up the balance of the \$15,750,000 estimate.

A total of fifty-two or fifty-three ships is expected to be built by eight lines within the next five years if satisfactory long-range subsidy contracts are worked out, the report says. Seven lines have agreed to build a total of twenty ships between now and 1942, fourteen to be started in 1938. In addition, the companies are required to develop plans for the building of approximately twenty-three other vessels. The American Export Steamship Corporation has indicated its willingness to construct nine or ten vessels between 1938 and 1942 under a satisfactory subsidy.

During the last year, the commission report says, numerous requests have been received for aid in the construction of small seagoing vessels and vessels engaged in commerce on inland waters, but "for the present, at least, none of the commission's funds should be diverted to the construction of vessels for domestic commerce."

Of the construction loans made to various American shipping companies under the merchant marine act of 1928, almost one-half of the total of \$147,943,642.41 granted has been repaid, leaving a balance outstanding of \$76,228,147.48 on October 31, 1937, the report shows. The principal assets of the commission, exclusive of the \$107,795,313.22 on deposit in the United States Treasury



Price photo  
Joseph P. Kennedy

and its ships and properties, are the construction-loan notes and ship-sale notes. The total of ship-sale notes receivable on October 31 was \$10,985,075.87.

The construction of twelve high-speed tankers suitable for use as naval auxiliaries, a contract for which was let by the Standard Oil Company of New Jersey early this month with four shipyards, also is mentioned in the report. The tankers will cost \$37,556,004, of which the commission's share for national defense features will be \$10,563,000.

# FLEET BALKED BY LABOR WAR, SAYS KENNEDY

CIO-AFL Struggle Hampers  
Move to Build Up Merchant  
Marine, He Tells Congress

Chairman Joseph P. Kennedy, of the Federal Maritime Commission, charged last night in his first annual report to Congress that labor disputes are demoralizing private and official efforts to expand the American Merchant Marine as a valuable arm of national defense.

In what was regarded as his farewell message before he formally resigns to become ambassador to Great Britain, Kennedy for the first time took cognizance of the bitter rivalry between the American Federation of Labor and Committee for Industrial Organization maritime unions.

### Operators Hesitant

He said that private operators were hesitant to build new ships—the most urgent problem before the commission—because of the "chaotic labor" situation.

"Labor conditions signalized by demands of the crews, sitdown and 'quickie' strikes, and slipshod performance of duties are characteristic of the industry," the blunt-speaking chairman said.

He cited refusal of the crew of the Government-owned S. S. Algonquin to obey orders and their resultant conviction.

### 'No Lasting Cure'

"Although the commission has recommended remedial legislation, no lasting cure will be effected until the jurisdictional strife now prevalent in maritime labor is terminated and a more cooperative working arrangement is reached by unions and ship operators," he said.

The report, covering the commission's activities from October 26, 1936, to October 25, 1937, is expected to furnish a new working basis for the Senate Commerce and House Merchant Marine Committees, which are studying labor, financial and other maritime troubles preparatory to drafting new legislation.

Kennedy said he believed that a satisfactory basis for a long-range construction program has been laid—if there are no unforeseen developments—that will replace obsolete American ships, improve service, and strengthen the national defense.

### 53 Ships Planned

He said that eight steamship lines under long-term subsidy agreements would build 53 or 54 new ships costing \$110,000,000 during the next five years, while the Standard Oil Company of New Jersey, will undertake 12 high-speed tankers equipped for war usage.

He emphasized that the future shipbuilding program will embrace greater speed, improved fire-proofing and safety devices, better quarters for crews and officers, and national defense facilities.

The report pointed out that a shortage of ship tonnage abroad and sky-rocketing scrap-iron prices had accelerated transfer of American ownerships to foreign registry, causing the commission to redouble its vigilance to prevent a detrimental effect upon the merchant Marine.

# MARINE LABOR DISPUTES PERIL U. S.—KENNEDY

## New Envoy to Britain Files "Frank" Report

(I.N.S.) In his first and his last report to Congress as chairman of the United States Maritime Commission, Joseph P. Kennedy, newly-appointed Ambassador to Great Britain, repeated his claim today that labor disputes are throttling growth of our merchant marine.

Kennedy and the maritime unions have differed on labor matters eye-to-eye ever since he cabled the captain of the Government-owned vessel Aligic to return his crew in irons if they continued a sit-down strike.

When the ship docked at Baltimore the Maritime Commission initiated a Federal grand jury investigation, which resulted in the conviction of 14 seamen on charges of conspiring to take control of the ship.

For some time Kennedy and Secretary of the Navy Claude A. Swanson have been warning the Administration of the deplorable state of the merchant marine, pointing out it must be in top-notch condition to be of service in time of war.

Kennedy blamed hesitancy of shipbuilders to take advantage of the subsidy clause of the merchant marine act to the general labor unrest.

"Labor conditions signalized by demands of the crews, sit-downs and quickie strikes and slipshod performance of duty are characteristic of the industry," his report said. "Although the commission has recommended remedial legislation, no lasting cure will be effected until the jurisdictional strife now prevalent in maritime labor is terminated."

## 12 NEW TANKERS

Kennedy believes the commission has struck a satisfactory working basis for a long-range program that will replace ships over age, improve service and strengthen national defense if there are no unforeseen developments.

Eight companies have entered into long-term subsidy contracts with the commission to build 54 ships within the next five years at a cost of \$110,000,000. The Standard Oil Company of New Jersey intends to build 12 high-speed oil tankers.

## Urge Business To Find Own Cure

BOSTON, Jan. 24 (I.N.S.)— "Big business" should volunteer its own formula to end the recession, Joseph P. Kennedy, newly appointed ambassador to Great Britain, said here today.

President Roosevelt is anxious to cooperate with business, Kennedy declared.

"Business should be better at finding the answer for itself than Government," he said. "I don't know any reason why any one man in the Government, from the President down, should have all the facts that businessmen have about their own industries. It's up to them to think of a plan and trot it out."

# SHIPBUILDING LAG BLAMED ON LABOR

Maritime Unit Says Operators Ignore Needs in Face of Present Conditions.

By the Associated Press.

The Maritime Commission reported to Congress today that private ship operators, despite the urgent need for new vessels, "hesitate in the face of the present labor situation."

"Chaotic labor conditions, signalized by demands of the crews, 'sit-down' and 'quirkie' strikes, and slipshod performance of duties are characteristic of the industry," the commission said in a report reviewing its work for the year ending last October 25.

"No lasting cure will be effected until the jurisdictional strife now prevalent in maritime labor is terminated and a more co-operative working arrangement is reached by the unions and the ship operators."

#### Algic Incident Cited.

Lack of order and discipline on board ship, the commission said, "was sharply focused by the Algic incident, in which the refusal of the seamen on board a Government-owned vessel to perform their lawful duties compelled the commission to take prompt and decisive action."

The commission declared its work has laid the foundation for a long-range construction program.

Bills are pending in Congress to carry out its recommendations for a maritime mediation board and a program for training young men for a career at sea. Another recommendation is for continuous employment of seamen, instead of signing them for each trip.

#### "Inadequacy" of Crew Quarters.

The report said that part of the "prevailing unrest" of labor was attributable to "inadequacy" of crew quarters on board ship. As a result of hearings by the commission, the report continued, recommendations for changes in quarters on 45 vessels will be "promptly carried out" by the operators. Costs of these alterations range from \$1,400 to \$18,000 per vessel, and the total expenditure will amount to \$219,300, the commission said.

JAN 2 1949

# ROOSEVELT NAMES LAND AS SHIP HEAD, HITS BUILDING COST

Rear Admiral Is Promoted to  
Kennedy Post to Continue  
'Two-Fisted' Policies

## TRUITT IS PUT ON BOARD

Kennedy Sworn as Envoy After  
Warning the Country to Save  
Its Merchant Marine

Special to THE NEW YORK TIMES.

WASHINGTON, Feb. 18.—President Roosevelt today named Rear Admiral Emory S. Land a member of the Maritime Commission to succeed Joseph P. Kennedy as chairman of that agency, and let it be known that the new chairman was expected to continue the "two-fisted, hard-hitting" policies of his predecessor. Word of this action reached here from the President's special train en route to Hyde Park.

The President also announced the selection of Max O. Truitt, at present the general counsel of the commission, to fill out the unexpired term of Mr. Kennedy as a member of the commission, which was to terminate in the Fall. The resignation of Mr. Kennedy as commission chairman became effective today, when he took the oath of office as American Ambassador to the Court of St. James.

In his selection of Admiral Land to take up the commission chairmanship, Mr. Roosevelt followed the recommendation of Mr. Kennedy. Both have been members of the commission since its establishment ten months ago.

On behalf of the President it was stated that he had received numerous suggestions that he appoint as a member of the commission a representative from the Pacific Coast. With these suggestions the President was in hearty agreement, and would provide for such representation in the permanent organization of the commission which is to be undertaken in the Fall, it was said.

### President Gives His Own Views

Earlier in the day, before he left the capital, Mr. Roosevelt took the occasion of Mr. Kennedy's resignation to express his own views on the shipping situation.

The President, in response to a question at his press conference, said that the whole shipbuilding problem in this country was one big headache. He expressed concern over the recently submitted bids, saying they were far and away above costs paid by the United States during the World War when material costs were considerably higher but when total construction costs were considerably less than at present.

The President mentioned three alternative courses of action if new merchant ships were to be built in this country and the builders refused to reduce their prices. These were:

1. Finance the construction of new yards and the installation of new equipment and have them privately managed on a fixed fee basis.

2. Finance the construction of new yards and facilities and let the Federal Government supervise and do the building itself.

3. Expand the present facilities of navy yards not now able to accommodate new commercial building and have the government do the building under direction of the navy.

A possible fourth alternative

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would be to have merchant ships constructed abroad, as suggested by Mr. Kennedy in his letter to Mr. Roosevelt yesterday. But on this point the President said he had talked with members of Congress to obtain their reaction, and that while they agreed that this was the practical solution of the problem, none could afford to vote for such a proposition.

In his letter of resignation Mr. Kennedy said that the United States would have to take "some exceedingly strenuous measures" if it was to preserve a merchant marine fleet of anything like its present proportions in either foreign or domestic trade.

Mr. Kennedy told Mr. Roosevelt that "the employer-employee relationship must be stabilized if American shipping is to survive" and that the marine labor question was "one of the most disturbing problems with which the commission has been confronted."

Second only to the labor problem in its effect on the difficulty of maintaining an adequate merchant marine was the high cost of building ships in this country as reflected by bids recently submitted, said Mr. Kennedy. Recent increases in such costs had presented the country with a real dilemma, he added, but said the Maritime Commission undoubtedly would work out a solution in the near future.

#### Justice Reed Gives the Oath

Mr. Kennedy was received by the President immediately after the press conference and the oath as Ambassador was administered to Mr. Kennedy by Supreme Court Justice Reed.

In a letter accepting Mr. Kennedy's resignation as maritime chairman the President expressed appreciation of Mr. Kennedy's services.

The President's letter, addressed to "My dear Joe," read:

"It is with real regret that I accept your resignation as chairman of the United States Maritime Commission. This is tempered by the fact that you are staying in the family and taking over a new assignment.

"I want to take this occasion to express my appreciation, so generally shared, for the fine work you have done. In both of your important government assignments you have maintained your justly earned reputation of being a two-fisted, hard-hitting executive.

"It may gratify you to know that in going to your new post you carry with you our confidence and high wishes."

# Admiral Land Named Maritime Board Head

(Special to The News)

Washington, D. C., Feb. 18.—President Roosevelt today named Rear Admiral Emery Scott Land, distant cousin of Col. Charles A. Lindbergh, to the chairmanship of the Federal Maritime Commission.

He acted after Joseph P. Kennedy resigned the post to become Ambassador to the Court of St. James's. It was Kennedy's recommendation to the President that Land already a Commissioner, be appointed to succeed him and that Max O'Rell Truitt, commission counsel, be named to the vacancy created by Land's promotion. Truitt will get the post. In submitting his resignation to



Admiral  
Land

day, Kennedy warned Roosevelt that labor disputes and high construction costs imperil the future development of the American merchant marine.

Meanwhile, Roosevelt declared that shipbuilding costs were higher than in war-time and outlined three plans for stimulating the merchant marine.

He told reporters these were:

Government financing of existing shipyards, with new vessels built under private management.

Building ships in existing Government yards and financing them with federal funds.

Building new ways and equipment in navy yards.

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# Kennedy's Letter to Senator Copeland, Urging Mediation in Ship Labor Disputes

From THE NEW YORK TIMES.

WASHINGTON, Feb. 16.—The first of the letter of Joseph P. Kennedy, sent as chairman of the Maritime Commission to Senator Copeland, chairman of the Committee on Commerce, was as follows:

The Maritime Commission estimates that 57 per cent of every dollar paid out under the eight long-term operating-subsidy agreements recently effective, or \$4,878,630 annually, is expended for wages and subsistence of officers and crews. It is clear that an expenditure in such amount of government funds cannot be justified unless it results in having the ships which make up the merchant marine manned by competent and contented seamen.

The proposed extension of the Railway Labor Act to the shipping industry is designed to bring about an efficient, orderly and dependable system of marine transportation by substituting mediation and arbitration for the disorderly and destructive strikes, lockouts and other labor disturbances which so seriously handicap American sea service at the present time.

It is fundamental that transportation on sea or land is of its very nature a service which must be able to be successful. The stability of transportation service is the main security of transportation workers. The public will not patronize an inefficient, unreliable transportation system, and if the public, having available efficient and reliable foreign-flag services, does not patronize American seafarers, then the seafarers must sell and the workers lose their jobs.

It thus appears that the welfare of the workers is definitely bound up with the success of the venture in which they are employed, and that labor conditions in the merchant marine can be stabilized by a substitution of consideration and cooperation in the place of hostility and recrimination, labor, management, and the general public will suffer.



Associated Press

## KENNEDY DENOUNCES LABOR VIEW OF SECRETARY PERKINS

The chairman of the Maritime Commission, right, at the Senate Commerce Committee hearing yesterday when he assailed Cabinet member's stand on maritime legislation. At the left is Senator Royal S. Copeland and in the center is Senator Arthur H. Vandenberg.

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### Mediation Laws in Many States

Mediation and arbitration of disputes and differences between labor and management are not new in American legislation. Provisions relating to these subjects are found in several State Constitutions, and mediation and arbitration statutes are now effective in thirty-two States, as well as in Alaska, Puerto Rico and the Philippine Islands. Some of these laws have been in existence for a long while, and the fact that others have been enacted recently testifies that their history has recommended them as appropriate and desirable instruments to aid in the settlement of labor difficulties of today.

The most recent of these statutes, apparently, was enacted by the State of Pennsylvania. This was Act 177 of the Acts of 1937, Senate Bill 640 of the regular session, and was approved on May 15, 1937.

While many of the States have made excellent progress with respect to providing methods for solving their labor problems, it is quite obvious that the States lack jurisdiction and power to provide for arbitration and mediation of the labor difficulties arising between employers and employees engaged in interstate and foreign commerce. Section 45 of S. 3,078 has been drawn, and the enactment of legislation of this nature is desired in order that the labor difficulties in marine interstate and foreign commerce may be dealt with in the same manner which has proved so efficient and satisfactory in the several States, and in interstate railway transportation.

### Study of 1888 Is Recalled

A brief survey of the progress which has been made with respect to our railroads is enlightening. As early as 1873 the Congress began to study methods of handling disputes arising between the railroads and their employees, and the first mediation law was enacted by the Congress in 1888. This law provided two methods for handling disputes which might arise between employers and employees. They were, first, voluntary arbitration, and, second, investigation. Upon the request of either management or labor, agreed to by both parties, a dispute was to be submitted for decision to a board of arbitrators, one appointed by the employer, one by the employees, and a chairman to be selected by the two appointed members.

It will be noted that the board would be created only by the consent of both parties and that there was no provision for the enforcement of the arbitration board's decision. This act also authorized the President to appoint a temporary commission to investigate the causes of any railway labor dispute and provided that the services of such a commission might be tendered by the President to settle a controversy, and that the services of such a commission might be requested by employer or employee or by the Chief Executive of any State.

Although this law was in effect for ten years, the arbitration provisions were never utilized, notwithstanding the fact that arbitration was considered the most important feature of the law and was the subject of prolonged Congressional debate. The provisions for investigation came into play only once, and that occasion was the Pullman strike of 1894.

The commission investigating the Pullman strike had no power to settle it, but it did recommend the appointment of a permanent commission of three members which should possess authority in the field of railway labor similar to the authority of the Interstate Commerce Commission with respect to railway rates and whose authority would be binding upon both parties.

### Act of 1888 Proved Futile

The futility of the act of 1888 was generally recognized, and for a period of ten years bills were introduced in Congress providing for more efficient means of dealing with the problem. This culminated with the passage of the Erdman Act, which was approved by the President on June 1, 1898.

This act contained the first policy with respect to government mediation and conciliation of labor disputes in the transportation industry. It also prohibited the so-called "yellow-dog" contracts and provided that it should be a misdemeanor for any carrier to require as a condition of employment that any employee or person seeking employment should enter into an agreement not to become or remain a member of any labor organization. Unfortunately, this section of the law was held unconstitutional in 1908 by the Supreme Court of the United States in the case of *Adair v. United States*, 208 U. S. 161.

Experience with the Erdman Act proved that the strongest reliance for settlement of labor disputes should be placed upon mediation rather than arbitration, and in 1913 Congress established a permanent Board of Mediation and Conciliation. Experience under the new act revealed further problems, and it became clear that arbitration, although useful when mediation failed, had inherent weaknesses. The chief difficulties arose out of the imperfect machinery which the law provided for the interpretation of mediation agreements and arbitration awards.

The brotherhoods of railway employees and labor unions involved claimed that management had assumed the prerogative of interpreting all agreements as it saw fit. In 1916 the train service brotherhoods began a general movement for a basic eight-hour day with time-and-a-half for overtime, and when the carriers desired to arbitrate the employees refused to enter into any arbitration agreement. A threatened nation-wide strike of railway employees brought about enactment of the Adamson law, which was approved Sept. 3, 1916.

### Both Sides Backed 1926 Act

The Transportation Act of 1920 made provision for the settlement of disputes between carriers by rail and all classes of employees. The provisions of this act reverted in part to the act of 1888, which had been discarded for over twenty years. Dissatisfaction with the act of 1920 increased with experience, and by the end of 1925 carriers and employees alike desired to have the act repealed. A joint committee appointed by management and labor worked out a bill which, supported by both elements, was enacted as the Railway Labor Act of 1926.

After more than a third of a century of ineffective legislation, employers and employees in the railroad industry thus united and

brought about the enactment of a law covering the adjustment of disputes in the industry by arbitration and mediation. The act of 1926 was amended in 1934 and, as amended, now constitutes the Railway Labor Act. Its provisions were subsequently extended to cover the labor problems of common carriers by air in interstate and foreign commerce, and the law so broadening the scope of the Railway Labor Act was approved by President Roosevelt on April 10, 1936.

It is significant that over a long period of years, and with the benefit of experience and the cooperation of both management and labor, each enlightened and informed as to their own best interests, Congress has developed, step by step, a comprehensive policy and method for dealing with labor relations in the railway field with the result that the Secretary of Labor testifies today that the present Railway Mediation Law is "... the fullest and most complete development of mediation, conciliation, voluntary agreement and voluntary arbitration that is to be found in any law governing labor relations."

This is the act which the Maritime Commission, basing its opinion upon a careful and comprehensive study of labor conditions in the shipping industry, has recommended be made applicable to the American merchant marine.

#### Criticizes Opposition's Stand

The recommendation of the commission was transmitted to Congress on Nov. 10, 1937, and on Dec. 2, 1937, appropriate legislation was introduced. Many witnesses have been heard with respect to this proposed amendment of the Merchant Marine Act of 1936. It is surely significant that not one witness has voiced a single sound objection to the details of the bill or has advocated any substitute for the proposed law. Every argument of opposition to this provision of the bill is summed up in the statement that to make the principles or the provisions of the Railway Labor Act applicable to the shipping industry at this time would be "premature" for the reason that "the employees are not fully organized."

This is a strange argument. It is said to be "premature" to put into operation machinery designed to prevent strikes and lockouts in an industry which in ten months of 1937 lost approximately 1,000,000 man-hours of work by strikes and lockouts.

It is said to be "premature" to act to bring order to a business wherein disorder during the past year adversely affected the business of every port in the United States.

Grave reasons should be assigned to support a charge of "prematurity" with respect to the enactment of this type of legislation. In support of the statement it is said that "the employees are not fully organized" and that the industry is not "ripe" for a law like this.

Even a cursory examination of the labor situation in the maritime industry discloses the complete fallacy of this argument. The longshoremen upon both coasts are organized and have contracts with the employers.

#### Cites Labor Board Elections

The seamen upon the West Coast are organized and have also contracts. We are advised that under the supervision of the National Labor Relations Board elections are being held upon the East Coast as rapidly as its machinery will permit. Elections among the un-

organized personnel of approximately forty lines have already been held and in most instances the representatives of the employees chosen in those elections have been certified.

But, whether agreements have been entered into or not, there will always be differences with regard to rates of pay, hours of labor and working conditions. Neither collective agreements nor mediation machinery will eliminate these disputes. But the function of the system of mediation which has been suggested is to facilitate and to expedite the process of obtaining these collective agreements and the settlement of disputes as they arise.

I submit that employees who have been able in the past few months to paralyze our water-borne commerce by "quickies" and sit-down strikes; employees, one of whose leaders feels so confident of discipline in union ranks that he challenges the power of Congress to enforce this legislation, stating that the employee will not "accept" it, is sufficiently organized for legislation which seeks to substitute mediation and conciliation for the strike and lockout.

The Congress must determine whether maturity is to be tested by the willingness of both parties to sit down together and make an honest effort to compose their differences before resorting to actions which result in unreasonable and unnecessary interruptions to commerce, or whether it is to be tested by the ability of one side to bludgeon the other into submission by tying up the country's transportation facilities by either strikes or lockouts.

#### Warns of Industry's Perils

This legislation is not regarded and will not be regarded as "premature" by the American people simply because it is called "premature" by those who will always so regard it as long as there is a chance of preventing its passage.

I submit that if the maritime industry is not "ripe" for conciliation and mediation of its labor disputes, then it is overripe for ruin.

It has also been argued by those who oppose the extension of the Railway Labor Act to the shipping industry that the National Mediation Board is inexperienced in handling maritime labor disturbances. In answer to this objection it is necessary only to point out that the board administering the Railway Labor Act now exercises jurisdiction over maritime employees of railways subject to the act. There are eighty-seven wages and rules agreements now in force between Class I railroads and their marine employees. Among the organizations involved are the International Longshoremen's Association, National Marine Engineers Beneficial Association, United Licensed Officers Association, the Association of Masters, Mates and Pilots, and the International Seamen's Union.

As indicated in the commission's economic survey of the American merchant marine, it is the primary purpose of this legislation to avoid interruption to our water-borne commerce by providing for the prompt and orderly settlement of disputes concerning rates of pay, rules or working conditions, and all disputes growing out of grievances or the interpretation or application of agreements covering rates of pay, rules and working conditions.

#### Insists Service Must Continue

It should be constantly borne in mind that shipping is a ~~service of~~ of national importance and that any

Inefficiency or breakdown in that service not only deprives the men of their wages and the operators of their income, but directly impairs the income and business of producers and consumers who are dependent upon the maintenance of regular sailings and deliveries; and thus seriously affects the national welfare. While this is true of the railroad industry, it is an even more serious matter with respect to ocean-borne commerce.

Should our railroads cease to function because of labor disturbances, land-going freight might be moved by unaffected railroads or by other means of transportation. If, however, a ton of cargo arrives at an American port for carriage abroad on an American-flag ship which is tied up as a result of labor trouble, that ton of freight which must move will travel by the first available means, and when, as is frequently the case, that means is a foreign-flag ship, not only is the revenue lost to the American operator but it is likely that future shipments will also go to the foreign-flag operator who was able to carry that freight abroad.

The bare figures which show the waste in lost hours of work, lost wages and lost freight revenues which have resulted from strikes and lockouts in maritime enterprises are shocking. During the first ten months of 1937 such strikes and lockouts involved over 40,000 seamen. There were 451 maritime labor tie-ups affecting the traffic of every United States port. Seamen employed on vessels affected

for a total of 899,733 man-hours of work. This figure does not include work lost by longshoremen. Undoubtedly, many thousands of men and women workers lost their wages while laid off because of these maritime labor troubles.

#### Examples of Loss in Freight

While it is not possible to estimate the losses arising from delay in freight movement caused by disturbances in the maritime labor situation, a few recent examples emphasize the complete dependence of producers and consumers in every portion of the country upon

stable and satisfactory labor conditions in our shipping industry.

As a result of a stevedores' strike in Philadelphia in December, 1937, forty-five carloads of oranges and grapefruit remained in the holds of vessels which had brought them from Florida. Strikes on the Atlantic Coast last October resulted in the diversion of thousands of tons of Florida citrus fruits to railroads and trucks, with resulting losses to the citrus growers who were thus compelled to pay higher transportation charges.

Approximately 93,000 bales of cotton, 90 per cent of it destined for export, were held at Charleston during last October because of a shipping strike; some of it remained in the streets subject to deterioration by the elements because of lack of sufficient storage facilities. Perishable foodstuffs could not be unloaded.

The recent longshoremen's strike in Seattle took place at a time for large shipments of apples and caused the fruit growers of the Northwest to suffer serious loss. One shipment of 125 cars had to be transported overland to Tacoma, with resulting loss to the producer. A strike in Philadelphia last month prevented landing a cargo of bananas.

Within the past few days the newspapers have carried accounts of a serious food shortage in Puerto Rico, the result of the shipping strike on the island. In San Juan butter is reported to have sold for \$1.50 a pound. Prices of all commodities have skyrocketed, and there is an impending serious shortage of food. These are but a few examples and involve only a few strikes. A study of the effects of all of the more than 451 strikes of 1937 would reveal an astounding list of similar situations.

#### National Welfare Involved

Thus, it is clear that labor disturbances on the waterfront vitally affect the economic welfare of the country as a whole. A strike which ties up the port of New Orleans may depress the price of corn grown and sold for export by an Illinois farmer. Thereby, the Illinois farmer's ability to buy machinery

in Chicago or meet payments on his mortgage to a Philadelphia insurance company is diminished and may even be destroyed.

The slender margin of profit earned by producers and manufacturers under modern competitive conditions may be wiped out because a group of waterfront employers in a port a thousand miles away refuse to discuss the question of wages for the run to the Argentine with the men who work their ships.

Any candid statement of losses suffered by reason of last year's maritime labor disturbances must necessarily include not only lost wages of seamen and lost earnings of ship operators, but also the wages of thousands of other workers laid off while machines waited for raw material resting in ships which could not unload, and lost profits of the farmers whose wheat and corn and other products were interrupted in transit to foreign markets, and the losses of householders who paid higher prices for foodstuffs necessarily shipped by rail because transportation by water was paralyzed.

A controversy between the operators and seamen is just as much a matter of national concern as the size of the Federal budget, and it is not unreasonable for our people to provide that the principals to such controversies shall endeavor to compose their differences before obstructing and blocking up the avenues of trade and commerce. No reason appears why a technique of mediation and conciliation based upon nearly forty years' experience which is now made available by law to labor and management in the industries of transportation by rail and air should not likewise be provided for workers and operators in the shipping industry.

#### Says Labor's Rights Are Safe

No showing can be made that such legislation violates any right of management or labor, constitutional or statutory. Because practically all goods produced for export from this country move from the interior to the port of shipment, and most of our imported goods

move from our ports to the interior, it is obvious that railway systems and water carriers are largely interdependent. Each of our larger railway systems handles traffic with carriers by water. Stable and reliable service in ocean-going commerce is just as important to the railroads and their employes as stability and reliability of their own service.

It should constantly be borne in mind, too, that life and property at sea can only be safeguarded by competent, disciplined and contented personnel, and that the existence of such a personnel to man merchant ships is of primary importance to the national defense.

Investigation and experience convinces the commission that discipline and the responsibility of maritime labor and the co-relative organizations of maritime employers must be established at the earliest possible moment and not in a "few years" hence. To tolerate present conditions and to allow the present chaotic situation to continue without determined and courageous efforts to bring about proper corrections in the field of maritime law would in our opinion invite complete destruction of the American Merchant Marine.

The commission has carried the mandate of Congress found in section 301 of the Merchant Marine Act of 1936 with respect to establishing minimum manning scales, minimum wage scales, and reasonable working conditions for all officers and crews employed on vessels receiving an operating-differential subsidy. The commission must and will see to it that rules and regulations so promulgated are honored by operators and employes alike.

What the commission has done however (and it is all that it can do under existing law), is not enough. If we are to have a merchant marine of the character demanded by the policy laid down in Title I of the Merchant Marine Act of 1936, then the enactment of legislation providing methods for prompt and orderly settlement of labor disputes in the industry is urgently required.

# KENNEDY DEMANDS SEA STRIKE CURB; SCORES SECRETARY

He Asks Senators for Mediation Law, Says Shipping May Be 'Overripe for Ruin'

SEES A NATIONAL DANGER

Maritime Head Criticizes Miss Perkins's View That His Plan Is 'Premature'

Text of Kennedy's letter to the Senate committee on Page 15.

By LAUREN D. LYMAN  
Special to THE NEW YORK TIMES.

WASHINGTON, Feb. 16.—The maritime industry either is "ripe" for conciliation and mediation of its labor disputes or it is overripe for ruin," Joseph P. Kennedy, chairman of the Maritime Commission, told the joint meeting of the Senate Commerce and Labor Committees today. He took issue with Secretary Perkins, who, two weeks ago before the same committee, had criticized amendments to the Merchant Marine Act advocated by Mr. Kennedy.

Miss Perkins had said that the time was not yet "ripe" and that it was "quite premature" to attempt to settle maritime labor disputes through a mediation board similar to that provided in the Railway Labor Act for railroad disputes. Mr. Kennedy, in his recommendations for amending the law, had advocated this form of mediation, and today he urged its adop-

tion. While he did not mention Miss Perkins by name, he quoted from her testimony and indicated unmistakably his opposition to her arguments. His testimony was in the form of a letter to Senator Cope-land, chairman of the Commerce Committee, but he appeared in person, reading the letter in executive session and answered questions of the members of the two committees.

## Takes Up Perkins Argument

After outlining briefly the history of labor legislation, mediation and arbitration in the United States and pointing to the success of mediation under the Railway Labor Act, Mr. Kennedy took up Miss Perkins's arguments.

"This legislation is not regarded and will not be regarded as 'premature' by the American people simply because it is called 'premature' by those who will always regard it as long as there is a chance of preventing its passage," he said.

Miss Perkins had said that the situation in the shipping industry differed from that in the railroads and that the employees in shipping were not yet fully organized. The system of mediation of labor disputes now in use in the railroad industry, she said, depended upon the stabilized practices and institutions of collective bargaining which had not yet been developed in the shipping lines.

The mediation proposal has been opposed by maritime unions. It was first suggested last November.

"Every argument of opposition to this provision of the bill is summed up in the statement that to make the principles of the Railway Labor Act applicable to the shipping industry at this time would be 'premature' for the reason that the employes are not fully organized," Mr. Kennedy said.

"This is a strange argument. It is said to be 'premature' to put into operation machinery designed to prevent strikes and lockouts in an industry which in ten months in 1937 lost approximately 1,000,000 man-hours of work by strikes and lockouts.

"It is said to be 'premature'

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Act to bring order to a business disorder during the past year adversely affected the business of every port in the United States. "Grave reasons should be assigned to support a charge of 'pre-maturity' with respect to the enactment of this type of legislation. In support of the statement it is said that 'the employees are not fully organized' and that the industry is not 'ripe' for a law like this.

"Even a cursory examination of the labor situation in the maritime industry discloses the complete fallacy of this argument."

Mr. Kennedy then listed the organizations which already have contracts with their employing groups. He named the longshoremen's unions of both the West and East Coasts and the seamen on the West Coast.

The National Labor Relations Board, he said, was supervising elections among the seamen on the East Coast as rapidly as possible. Elections among the unlicensed personnel of about forty lines had been held, he said.

"But whether agreements have been entered into or not," he con-

tinued, "there will always be differences with regard to rates of pay, hours of labor and working conditions. Neither collective agreements nor mediation machinery will eliminate these disputes. But the function of the system of mediation which has been suggested is to facilitate and to expedite the process of obtaining these collective agreements and the settlement of disputes as they arise."

"I submit that employees who have been able in the past few months to paralyze our water-borne commerce by 'quickies' and sit-down strikes; employees one of whose leaders feels so confident of discipline in union ranks that he challenges the power of Congress to enforce this legislation, stating that the employees will not 'accept' it, are sufficiently organized for legislation which seeks to substitute mediation and conciliation for the strike and lockout," Mr. Kennedy said.

He recited the 1937 statistics of hours of work lost and the number of strikes and lockouts and the number of seamen involved. He said that it was impossible to estimate the losses arising from delay in freight movement.

"A controversy between operators and seamen is just as much a matter of national concern as the size of the Federal budget," he declared, "and it is not unreasonable for our people to provide that the principals to such controversies shall endeavor to compose their dif-

ferences before obstructing and blocking up the avenues of trade and commerce."

"No reason appears why a technique of mediation and conciliation based upon nearly forty years experience which is now made available by law to labor and management in the industries of transportation by rail and air should not likewise be provided for workers and operators in the shipping industry."

"Investigation and experience convince the commission that discipline and the responsibility of maritime labor and the co-relative obligations of maritime employers must be established at the earliest possible moment and not 'in a few years hence.' To tolerate present conditions and allow the present chaotic situation to continue without determined and courageous efforts to bring about proper conditions in the field of maritime labor would in our opinion invite the complete destruction of the American merchant marine."

At the close of the session, Senator Copeland said that certain amendments sought by the National Labor Relations Board, which would clarify its jurisdiction in labor matters, were acceptable to the commission and to the members of the committee.

Before Mr. Kennedy left the room, Senator Copeland turned to him and said:

"The members of this committee

are very sorry that you are your present post to go to England. We wish you would stay here."

Tomorrow the committee will listen to testimony by Joseph Curran, head of the National Maritime Union, and several longshoremen. Last week Joseph P. Ryan, head of the International Longshoremen's Association, charged that Mr. Curran was a Communist and in pay of the Communist party.

Senator Copeland said that Hal Bridges, leader of the Maritime Federation and Longshoremen's Unions on the West Coast, would not appear before the committee. The question of Mr. Bridges's right to stay in this country, he said, was a matter for the Labor Department and did not lie within the jurisdiction of the Commerce Committee.

The Senator was asked if Mr. Kennedy or Miss Perkins were speaking for the administration.

"That is a question for the President to answer," he said.

### Mediation for Maritime Industry

Differences of opinion between Joseph P. Kennedy, chairman of the Maritime Commission, and Miss Frances Perkins, Secretary of Labor, were dramatized at yesterday's hearing before the Senate Committee on Commerce. Mr. Kennedy quite effectually demolished Miss Perkins's objections to his plan for setting up mediation and arbitration facilities for the maritime industry and barring strikes and lockouts while such procedure is being carried on.

In the face of conditions that have caused the loss by strikes and lockouts of about one million man-hours of work during ten months in 1937 it is inconceivable how it could be argued that our merchant marine is not "ripe" for such a plan. Yet that is just the position that was taken by Miss Perkins. She held it is premature because the industry is not fully organized, in spite of the fact that the longshoremen on both coasts as well as the seamen on the West Coast have contracts with the employers and elections are now being held among the seamen on the East Coast under the auspices of the National Labor Relations Board.

Mr. Kennedy pointed out that the employees were sufficiently well organized to have tied up our water-borne commerce by "quickies" and sit-down strikes. No one questions the effectiveness of the railway labor act, under which similar regulations have operated successfully in the railroad field. We hope that Congress will not hesitate to sweep aside Miss Perkins's objection that the program is premature. Mr. Kennedy's measure should be adopted promptly. It appears to offer the only constructive way of ending present unsettled labor conditions and save our merchant marine from ruin. Not only is the safety of life and property at sea at stake but also the maintenance of a trained personnel for American merchant vessels which would be so vitally important to the national defense in time of war.

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# KENNEDY PLANS SHIP COST FIGHT

May Advise Government  
on Procedure to Combat  
Exorbitant Bids

WASHINGTON, Feb. 17 (UP) — Joseph P. Kennedy, retiring chairman of the United States Maritime Commission, was expected to announce recommendations for combating excessive shipbuilding costs today when he submits his formal resignation.

He will sail Wednesday for London as Ambassador to the Court of St. James'.

Commission officials have described as exorbitant and outrageous bids submitted by shipyards for construction of twelve fast cargo vessels. The lowest combination of quotations exceeds by at least \$500,000 the commission's highest estimate of \$23,000,000 for the entire group. The bids range from \$188 to \$360 per dead weight ton, compared with \$200 paid during the World War building program, when prices were at peak levels.

Kennedy told the Senate Commerce Committee yesterday that the situation is serious and threatened to cripple the rehabilitation program by which the commission is seeking to provide the 500 merchant ships the navy says it needs for national defense, in the next ten years.

Commissioner Emory S. Land, a retired admiral and the commission's technical expert, has been investigating the bids. It was indicated his report may be finished in time for Kennedy to discuss the matter at his press conference later today.

Commission officials explain that acceptance of the prices offered on the cargo ships would be unsound because operating revenues would not be sufficient to pay for the vessels in a reasonable length of time.

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FIGURE  
U.S. NAVY

1961

1962

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NEW YORK POST

DATE: FEB 17 1968

FORWARDED BY NEW YORK DIVISION

42

Kennedy Speaks Again.

"If the maritime industry is not ripe for conciliation and mediation of its labor disputes, then it is overripe for ruin."

This indictment of the failure of the New Deal labor laws, of the ineptitude of the New Deal's Secretary of Labor and of the communistic crew that has been wrecking American commerce with the assistance of the New Deal—this indictment is not uttered by a Tory shipowner, but by one of President ROOSEVELT'S best friends, JOHN F. KENNEDY, chairman of the Maritime Commission, former chairman of SEC and soon to become the Ambassador to Great Britain.

Mr. KENNEDY's commission has drawn a bill which would protect our seaborne commerce, as our railroads are protected, from quick paralysis. Secretary PERKINS has tried to kill this bill by telling the Senate Committee on Commerce that it is "premature." Mr. KENNEDY asks Congress to determine whether or not the bill is to be tested "by the ability of one side to bludgeon the other into submission by tying up the country's transportation facilities by either strikes or lockouts." This means, of course, that Congress must choose between the alien HARRY BRIDGES, who is sponsored by JOHN L. LEWIS, and the salvation of the American merchant marine. If present conditions are permitted to continue, Mr. KENNEDY tells Congress, the merchant marine will be completely destroyed.

As to the word "premature," applied by the Cabinet member who took a long time wondering whether sit-down strikes were illegal and who has taken years to investigate the legality of HARRY BRIDGES's presence in this country, Chairman KENNEDY says: "It is said to be 'premature' to put into operation machinery designed to prevent strikes and lockouts in an industry which in ten months of 1937 lost one million man hours of work by strikes and lockouts. It is said to be 'premature' to bring order to a business where disorder during the past year adversely affected the business of every port in the United States."

Even the White House cannot laugh this off. Nor will Madame Secretary, Friend LEWIS and Alien BRIDGES be able to dismiss Mr. KENNEDY's plain words with a sneer. They can only wish that he had been exiled long ago to the silences of the London Embassy. The man has a passion for the truth.

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FEB 1 1938  
U.S. GOVERNMENT

RECD ED 10:

Clipping from  
NEW YORK SUN

DATE: FEB 1 1938

FORWARDED BY NEW YORK DIVISION

43

# Land Takes Over Marine Task

## Succeeds Kennedy as Chairman of Maritime Commission—Truitt Named to Board.

WASHINGTON, Feb. 19 (A. P.)—Rear Admiral Emory S. Land, a Colorado-born sailor and aviator, took over today the task of revitalizing America's merchant marine.

President Roosevelt, who described the assignment as a "headache," appointed Admiral Land to succeed Joseph P. Kennedy as chairman of the Maritime Commission. He accepted yesterday the resignation of Mr. Kennedy, who will go to London as Ambassador.

The new chairman is 59 years old, retired chief of the Navy's Bureau of Construction, and has been a member of the commission since last April. As such, he has helped wrestle with ship subsidies, labor troubles, high construction bids and other difficulties encountered in the attempt to build up the nation's foreign trade.

### Was Awarded Navy Cross.

To fill out Mr. Kennedy's unexpired term on the commission, Mr. Roosevelt appointed Max O'Rell Truitt of St. Louis, now commission counsel. Aids said it was a temporary appointment, pending the selection of a representative from the West Coast.

Admiral Land's thirty-nine years in the navy included steady advancement in the construction corps to head the bureau, a period of duty in the Bureau of Aeronautics and another as an attache to the embassy at London.

He was awarded the Navy Cross in the world war for distinguished service in the designing and construction of submarines and for work in the war zone. His new job will pay \$12,000 a year.

Associates said Admiral Land's experience as a qualified pilot, as assistant chief of the Bureau of Aeronautics, and as vice-president of the Guggenheim Fund for Promotion of Aeronautics, qualified him particularly to direct development of transoceanic air travel.

### Plane Subsidies Approved.

The Senate Commerce Committee yesterday approved Maritime Commission recommendations that subsidies be made available for giant passenger planes to fly the Atlantic and Pacific.

Meanwhile, publication of testimony by Mr. Kennedy before the

### British Costs Increase.

Increased cost of construction is not restricted to the United States, Mr. Smith added. He said the British press reported costs had risen in British yards 50 per cent in the last year and a half. He rejected as "unthinkable" Mr. Kennedy's suggestion that new ships be built in foreign yards whenever American prices were more than double prices abroad.

The Maritime Commission is protected on costs by the merchant marine act of 1936, which limits shipbuilders' maximum profit to 10 per cent of the contract price. Mr. Smith declared. On the other hand, he said, the shipbuilder has no guaranty against loss. And after cost disallowances and payment of taxes, he held, the shipbuilder's profit is likely to be "considerably less than 10 per cent."

Succeeds Kennedy



Underwood & Underwood  
Admiral Emory S. Land.

### Will Defend Estimates.

American shipbuilders were prepared today to go before the Maritime Commission and defend estimates submitted for the construction of new tonnage, according to H. Gerrish Smith, president of the National Council of American Shipbuilders.

In answer to the criticism of Joseph P. Kennedy, retiring chairman of the commission, as made in a final report to President Roosevelt, Mr. Smith cited as reasons for the "alleged high bids" higher labor and material costs, combined with the requirements of design and specifications for the new ships.

He called attention to an increase in shipbuilding labor costs from 55.5 to 83.8 cents an hour in less than five years, as contained in reports from the bureau of statistics of the Department of Labor. To this increased cost must be added, he said, 4 per cent to meet social security taxes and 2 per cent to provide one week's vacation for workmen, now generally accorded in the industry.

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NEW YORK SUN

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FORWARDED BY NEW YORK DIVISION

44

Mr. Kennedy's Report.

The final report made to the President by Joseph P. Kennedy as retiring chairman of the Shipping Commission bluntly states that we cannot hope to have a merchant marine built in this country unless private concerns are willing to make material reductions in the bids so far submitted. If these bids are accepted and the high prices paid, Mr. Kennedy warns that the merchant marine thus created will collapse of its own weight. To build merchant ships in navy yards would not be economical and, moreover, it would probably prove to be impracticable while the Government is carrying out a program of naval expansion which will monopolize the resources of its own plants. Mr. Kennedy seems to incline to the belief that unless more favorable prices can be obtained here the Maritime Commission should consider the possibility of building abroad.

Commenting on the fact that one class of bids goes much beyond the rates for ships constructed during the war at the Hog Island Yards, Mr. Kennedy says:

It is extremely difficult to explain this situation. All available indices seem to show that the costs of material entering into ship construction are much lower today than they were during the period when the Hog Island vessels were built and that labor costs, even though higher on an hourly basis, are probably no more if overtime and other factors are taken into consideration. Even if wages today were double those of the war era they still would not account for the present prices, as only 30 to 40 percent of the cost of a ship is spent in the yards. \*\* The cost of a cargo vessel in Britain today is about 2½ times the pre-war figure. Bids submitted by the larger yards on the C-2 ships are approximately four times those prevailing in the United States in 1913.

There would be vigorous objection in Congress, reinforced by protests from labor and from building interests, if a move were made to have ships for an American merchant marine constructed in foreign yards. Yet yards in Belfast can today build a cargo ship of the C-2 type for about one-third of the average of bids received from American builders for ships of the same size. It is clear from Mr. Kennedy's report that we cannot hope to get a home-built merchant marine at a reasonable cost—a cost permitting operation on a profitable basis—unless American plants agree to a drastic revision of their proposals. Government construction as an alternative would be costly because of the necessity for creating plants before the work would begin.

CLIPPING FROM  
BROOKLYN DAILY EAGLE

DATE: \_\_\_\_\_

FORWARDED BY NEW YORK DIVISION

2 October 1938

554b - 1

NATIONAL WHIRLIGIG  
Behind the News

WASHINGTON  
by May Tucker

Newspaper Syndicate  
600 Street  
New York City

~~SECRET~~ Although SEC-ers are eye-wary from microscopic scanning of prices and sales volume in Wall Street, they haven't discovered any signs of undercover professionals trying to get rich quick from speculative coups.

The Washington watchers glued their optics to the ticker tape during the negotiations over Franco-British-American currency stabilization. They figured the pros might seize this opportunity to boost stocks artificially and take the unwary customers for a merry-go-round. But the first hour's quick upturn slowed down and finally levelled off. In other years September has been the month when smart operators capitalized election uncertainties to snag a few stray dollars. So far the market has shown greater stability than in any campaign in years. SEC legislation is getting its most severe test right now.

~~SECRET~~ With the exception of a few stocks, the market's guardians feel that prices are not out of line with earnings and future prospects. Turnover, which furnishes speculative profits to border-line operators, has been fairly limited, ranging from \$00,000 to 1,600,000 sales a day. So best financial experts here simply grin when anyone mentions the "boom" which Secretary Hooper recently headlined.

~~SECRET~~ EXPLOSIVE American scouts recently returned from a tour of foreign capitals anticipate trouble when the Spanish fascists' backers—Italy and Germany—hand their bill to the new Madrid government.

Inside information hints that the Prince of Asturias will be restored to the throne under a limited form of monarchy similar to Great Britain's—or Italy's. In that event the interests represented by the church, the army and land owners will dominate the new regime. But the most exciting prospect from a world viewpoint is the turning over by Spain of the Balearic Islands to Mussolini and the African scrap of Ceuta to Hitler. Those cessions would bring the two dictators face to face with Gibraltar's guns and sever Britain's lifeline to her Indian possessions via the Mediterranean.

10/5 1938

RECORDED & INDEXED

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It will mean another humiliation for the British, who are not yet ready to resent aggressions with anything more forceful than notes. Grappling prophets on a major war now postpone it to the spring of 1938. The word is that Hitler will then move against Russia, wanting promising security to France in return for Parisian neutrality. It's understood that Mussolini will underwrite Berlin's guarantee to Blum or his successors. All these predictions, of course, are subject to change without notice. Europe today is an explosive question mark to our kindest diplomats.

~~SECRET~~ USEFUL The tact with which Secretary Morgenthau rebuked Russia for seeking to "abrogate" the stabilization deal was more graceful than you would expect a Secretary of the Treasury to exhibit.

For some time New Dealers have been waiting for a chance to reveal their distaste for some of Moscow's practices, thereby spiking the Hearst-Smith-Coughlin strategy of linking the administration with "communists". There was even talk of a threat to rescind recognition, especially as it has turned out to be no bargain. No ambassador has been named to fill William C. Bullitt's place, and none will be until after election as present pines stand.

Actually the dumping of 1,000,000 pounds of sterling by Russia was a normal financial transaction. Moscow had no hold-up on where the pound would settle or be "pegged", and sought to dispose of her holdings while the ceiling was high. But the fact to shock the "right" was so politically impudent that, for the first time, the U.S. mobilized the ordinarily mysterious operations of the \$2,000,000,000 stabilization fund.

APR 28 1972

XEROXED ORIGINAL RETAIN

46

~~CONFIDENTIAL~~ the extraordinary story surrounding the Roosevelt-LaGuardia relationship piques the curiosity of practical politicians on both sides.

Mr. LaGuardia will probably be denied a renomination for Mayor because of his bolt from Al Smith. He can undoubtedly have a place in the Cabinet—War or Labor—if FDR is reelected, and if the ~~Little Flower~~ doesn't try his luck again in Manhattan. But if he decides to fight for the Mayoralty as an Independent, the administration could improve his chances by entering a Roosevelt-Farley ticket as it did in 1933. It was a splitup of Tammany forces that placed Mr. LaGuardia in office in the first year of the New Deal.

Tammany braves would like ~~to~~ know the unpublished details—and right now. Roosevelt-LaGuardia strategy as it involves the Mayoralty, if known, would decide how the professionals would behave on election day—whether to knif or embrace Mr. Roosevelt. And if the agreement contemplates a LaGuardia shift to Washington, thereby insuring a Tammany triumph in 1937 in New York, National Chairman Hamilton could utilize the old, old issue of "the Tiger". It would tie in with the G.O.P.'s plan to assail Governor Lehman for dismissing grand jury charges against District Attorney Croghan. New York's 47 electoral votes are the political prize in this halter-skitter maneuvering.

~~SECRET~~ **DIFFICULT** Privately G.O.P.-ers confide that they wish their corporation friends would apply a few brakes to the current expansion in all lines—retail, industrial, financial, railroads, construction.

Industries whose moguls are traditionally Republican-minded—steel, railroads, communications, automobile—gaily swing along in the van of the recovery procession. They have numerous grudges against the New Deal—tariffs, federal competition, regulation—but they are declaring extra dividends, raising wages, erecting new plants, issuing new securities. They are furnishing ammunition for FDR's campaign speeches. And they aren't opening their pocketbooks as wide or as often as expected a few months ago.

Landon strategists are having trouble devising an answer. Chairman Hamilton provoked no cheer when he attributed the advance to Mr. Landon's nomination because the upward movement set in months before. Astute Republicans simply conclude: "It's hard to fight prosperity."

~~SECRET~~ **SIGNIFICANT** Administration scouts at the bankers' recent San Francisco convention have turned in rosy reports on the financiers' attitude toward the New Deal.

~~SECRET~~ Mr. Jesse Jones' failure to deliver his scheduled speech was the principal example. Ex-President Fleming realized belatedly that if Mr. Jones addressed the convention, there ought to be a speaker sympathetic to Governor Landon. Otherwise, the bankers might be placed in an embarrassing, partisan light. But staging such a vocal duel would have transformed the proceedings into a political harangue. It's true that Mr. Jones did not feel fit enough for his prearranged effort, but he stole away for political as well as medical considerations. It was a happy escape for everybody.

The incident strikes Washington observers as extremely significant. It indicates that the banking community has reached the conclusion that it's time to make peace and stop scrapping with the politicians. Their attitude will influence industrialists, utilitarians and business men. It may also temper the President's treatment of "economic royalists" in the event of his reelection.

~~SECRET~~ NEW YORK

CHAGG New York financial leaders are genuinely pleased about franc devaluation. In part this is due to a feeling of relief that the inevitable has finally happened. Even more potent is the conviction that the path to authentic international currency stabilisation is cleared at last. But no formal move to stabilise is expected for a year at least.

The approval of shrewd observers is tempered by scepticism as to the real worth of the "gentleman's agreement" whereby the United States, Britain and France have banded together to keep monetary fluctuations under control. They fear the Gordon implication of Secretary Morgenthau's statement on the second day of the agreement - "I see we are all still gentlemen" - is all too accurate.

There isn't so much as a scrap of paper to bind any of the "contracting" nations which might decide that self-interest demanded independent action. Neither Britain nor France has a record in such matters that could be called altruistic. It's perfectly possible that a situation could develop to stand either off on a currency tangent all its own - in which case we would see monetary chaos as is chaos.

MILL Financial conservatives are also delighted with the political angles of devaluation. They predict that many more voters will be worried and perhaps alienated by indications that we are becoming "entangled" with Europe than will be enthused on behalf of constructive international cooperation.

In this connection, anti-New Deal chiefs are gleefully grateful to Secretary Morgenthau for what they call his "Russian bulle". New York ... that the Secretary's eager story of how the American stabilisation fund rushed to the rescue of the pound sterling when the wicked Soviets dumped a million pounds in the open market rates a five-star award for short-sighted public relations.

This marks the first time that the Treasury Department has broken its rule of secrecy about stabilisation fund operations, and its critics chortle that it couldn't have picked a less conspicuous occasion.

ISLATION A financial top-ranker, whose views are widely shared, puts it this way: "I can't prove it, of course, but it certainly looks as if Morgenthau's motive for publicity was to offset the rising clamor that seeks to identify the New Deal with communism. If so, it was a singularly silly performance. Also he made himself a bit ridiculous by talking of a million pounds as if it were important money in influencing exchange rates. Anyone familiar with exchange problems knows that it's chicken feed."

But regardless of motive, the Secretary's prizc contribution was his proud emphasis that it was the American stabilisation fund which bailed out the British pound. Apparently it never occurred to him that anyone might ask - and I can safely prophesy that a lot of anti-New Deal spokesmen will raise the question - just why we have to use our money to rescue the British, and what's the matter with their own stabilisation fund?

The National Whirligig  
J264b - 4

McClure Newspaper Syndicate  
Rel. 10-2-36

"Mr. Morgenthau couldn't have rubbed isolationists the wrong way more effectively if he had deliberately set out to do so. And believe me, isolation sentiment is still mighty strong in this country."

MISLEADING A. M. Lamport & Co. - New York bond dealers - spent a sizable chunk of their own money for the second time recently on newspaper advertising to prove that Uncle Sam's credit is better in many respects than that of either Great Britain or France. Figures were cited to show that our per capita debt and interest cost is substantially lower and our relative tax burden much smaller than those of the leading European nations.

You can imagine how it irritates other New York financial firms to have one of their own number contribute such aid and comfort to the New Dealers. Positively uncluey, they call it. The Lamport house specializes in federal government bonds, but even so any benefits it derives from this type of advertising must be indirect.

Critical analysts do not question the correctness of the Lamport figures as far as they go. But it is vigorously contended that an appraisal of the American debt and tax picture which omits the obligations and levies of states, municipalities, etc., is several degrees worse than miscoding.

HARD It doesn't necessarily mean anything in terms of church discipline when Archbishop McNicholas of Cincinnati or almost any other church official objects to Father Coughlin's unrestrained language.

It does mean something, however, when Bishop Joseph Schrembs of Cleveland protests. Bishop Schrembs is very close to Bishop Gallagher of Detroit and has been a sympathetic Coughlin supporter. He has in fact served with Bishop Gallagher and Bishop Noll of Fort Wayne on a sort of advisory board for the radio priest. Coughlin is making it hard for some of his best friends to stick by him.

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WASHINGTON  
By H. Parker

11/11/11

LISTENING The inspiration behind President Roosevelt's gesture of friendliness toward insurance executives, bankers and utility heads is supposed to be Joseph P. Kennedy. The former SEC chairman is working the millionaires' side of the New Deal street.

With the written and spoken word the red-headed Boston boy who banked his first million before he was forty is injecting calm and balm into the campaign. He is assuring the "economic royalists" that the framework of the New Deal has been finished, and that FDR has run out of radical blueprints. A second term, it is hinted, would be devoted almost entirely to ironing out the kinks and reconciling banking, taxation and utility laws with rigid realities.

While the presidential spokesman makes no specific pledges, he has thrown out suggestions that FDR may not oppose moderate modification of the holding company act, the undistributed dividends law and SEC statutes. On several sectors there are signs that the "big boys" are at least "listening" to these overtures.

SPECULATIVE Democratic pencil-pushers have emerged from their mathematical cubby-holes with the conclusion that President Roosevelt can stand a 25 per cent drop from his 1932 vote and still win. If the loss is only 20 per cent, he will corral almost as many electoral votes—472—as he did against Herbert Hoover.

The defection, of course, must be fairly uniform for these calculations to have any meaning. But assuming that the 25 per cent desertions run fairly even throughout the nation, Mr. Roosevelt would turn up on election night with approximately 274 electoral votes. If the cut sags to 20 per cent, he would register victories in New York, Illinois and Indiana, and thereby boost his electoral total to 364. On this basis another 100 are in sight.

Mr. Roosevelt is guarding carefully his own predictions. He has written the number of electoral ballots he expects in a sealed envelope. Best info is that he counts on a minimum of 325 for himself. Although it's entirely speculative, this figure suggests that the President is not so sure of certain middle western states as Mass., Farley and Burja are.

DEPARTURE The Democrats' sorest headache at the moment is to bracket the defection with respect to classes of voters, states and totals. The difference between 25 and 28 per cent, possibly less, may tell the presidential story.

The people who voted for Mr. Roosevelt four years ago, but who may mark their cross for Governor Landon, are divided into five well-defined and well-recognizable groups. They are the Loyalites, Republicrats who plumped for repeal rather than Mr. Roosevelt, Republicans who were disgusted with Herbert Hoover's personality and policies, Jeffersonian Democrats, and folk who feel that the G.O.P. knows how to handle prosperity once we get it. Against this army the Democrats can array such new phalanxes as labor, the colored voters, W.M.A.-W.M.A. beneficiaries, young voters and a political organization bulwarked by jobs.

New Deal calculators insist that they have the edge in percentages—that more than 25 per cent of his 1932 following will not desert the President. But the truth is that there are so many "immeasurables" in this election nobody can figure it out. The best kept records don't count for much these days—a the politicos admit privately.

FLYING The globe circling race between two American reporters highlights the fact that three nations lead the world in the development of commercial aviation. They are the United States, Germany and Holland.

THURS

The dirigible Hindenburg enables the modern Jules Verne to span the Atlantic in record time. The Dutch Lufthansa aerial lines will carry them from Italy to southeastern China, and thence they will make their way to the Philippines. There they will connect with the China Clipper—an American transport. Their return to New York, of course, will be by regular transcontinental air routes.

The speedsters will probably travel 7,000 of their 25,000 miles on American air ways. But if private schemes now being worked out by certain New York interests come to fruition, their American total would be nearer 10,000. On their next leg they may negotiate the trans-atlantic hop aboard a Pan American plane. Uncle Sam is fast moving toward world leadership in this field. -  
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CLAMPING FDR has imposed a strict censorship on speeches by higher-ups in the administration. The only exceptions within recent weeks have been Diplomat Hull and Farmer Wallace. Their discussion of agricultural and foreign affairs at this particular moment is logical.

The New Dealers were told to take their cue from Mr. Roosevelt's "non-political" policy. Silence was the order of the day—and night. Messrs. Hopkins and Tugwell were ordered to stay off the hustings, and even the explosive Harold Uckris was asked to modulate his basso. On two subjects in particular the Rooseveltian orators have shown restraint—Mr. Landon and the Supreme Court. One orator was requested by long distance telephone to choke off his original impulse to pay unkind respects to the G.O.P. nominee and FDR's "horst and buggy" friends.

Inside explanation is that Mr. Roosevelt's immediate advisers think the campaign is well in hand—figure victory is sure barring an unforeseen upset—want no needless scars created—and are clamping the lid on the excitable fellows.  
\*\*\*\*\*

READY The feverish pace of European rearmament has revolutionized trends and developments in the airplane industry.

England has virtually withdrawn from the South American export field because of domestic demand on her output of planes. Our exports of raw materials and machine tools for manufacture of French, German and Italian aerial squadrons have increased month by month. Mussolini is selling obsolete ships to South American nations at bargain prices while he goes in for faster and more deadly machines. Our military people won't listen to suggestions for repeal of the regulation under which models of fighting ships cannot be sold abroad until a year after they have appeared on the American scene.

America's existing air establishment ranks far below other nations'. But under the War Department's industrial mobilization program certain automobile factories in Detroit and elsewhere are equipped to turn out a flying ship every twenty-four minutes when the need arises. It'll not be caught napping as we were in 1917!

NOTES Whenever a Spanish government emerges it will be presented with a good-sized bill from American concerns whose factories and goods were requisitioned....A shortage of skilled labor in the building trades is reported from thirty states....Many citizens are filing their fingerprints for identification purposes with the Bureau of Investigation, Department of Justice....Of \$1,950,000,000 loaned by the Reconstruction Finance Corporation to banks and trust companies, \$1,713,000,000 has been repaid....Insurance companies have repaid all but about \$5,000,000 of \$9,000,000 borrowed from RFC.  
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m/f

H. E. JOHN

The National War  
#2845 - 7

NEW YORK  
By James M. Sullivan

Newspaper Syndicate  
M.L. 10-3-36

**CANARD** The old adage that a correction never catches up with the original mis-statement is being proved in the case of David Dubinsky. Mr. Dubinsky is head of the powerful Ladies Garment Workers Union, an active promoter of the new Labor Party, one of John Lewis' chief aides in the battle for industrial unionization, and - one of Mr. Roosevelt's 47 electors in New York State.

Hoping to embarrass Roosevelt, G.O.P. chairman John Hamilton, publisher Hearst and others have raised a tremendous hue and cry about Dubinsky being a communist - chiefly because he raised and sent some money to the Spanish government for Red cross purposes.

The accusation is absurd to anyone who knows Dubinsky's history. He has fought the communistic element tooth and nail in his own union. He has proved the charge untrue. The Industrial Council of Cloak, Suit and Shirt Manufacturers - who have every reason to hate Dubinsky's soul - have backed his denial publicly. Yet the canard flourishes like the green bay tree and thoroughly reputable citizens are taken in by it.

**WHY** A recent significant deserter from the Roosevelt cause - who attributes his defection to his inability to vote for the "communist" Dubinsky as an elector - is Arthur T. O'Leary. Mr. O'Leary is a prominent New York Catholic layman and has been a close friend of Jim Farley. He swings a lot of weight in Church circles.

It looks more and more as if Hearst's "Red scare" will turn out to be an anti-Roosevelt gold mine - helped along by the White House having advertised it by taking official cognizance of it. New York anti-New Deal chiefs - while privately admitting that they know it's the bunk - are delighted to have such a potent weapon added to their arsenal.

Conversely New York Democratic leaders are gravely worried. It is painfully obvious that the "issue" - however phony - has a strong emotional appeal. Unless it can be successfully met - especially among Catholic voters - FDR's chances of garnering New York's big electoral vote will be very slim.

**RECALLED** The annual report of president Charles E. Gay of the New York Stock Exchange marked the first time a responsible officer of the Exchange has officially and forcefully taken issue with the Securities Exchange Commission on a matter of market policy.

Mr. Gay emphasizes that bid and offer quotations for various stocks show larger spreads than they did a year ago and deduces that trading limitations imposed by the New Deal are drying up the liquidity to which every holder of a listed stock is supposed to be entitled. By inference they are also drying up brokers' commissions, although Mr. Gay doesn't dwell on that. There's a real difference of opinion here, as the SEC has indicated in its official reports that the importance of liquidity is overestimated. The Stock Exchange President also takes a sharp rap at the capital gains tax.

m/f

The significant angle is that - for the first time since Roosevelt was inaugurated - the Stock Exchange has regained its self-confidence to the degree of asserting its own viewpoint against the government.

CHANGE A little drama of the progress of propaganda in three acts.

September, 1931 - Britain abandons the gold standard. Public opinion is shocked. General reaction gloomy - what awful thing will happen next?

March, 1933 - the United States goes off gold. Reactions mixed. Conservatives greatly upset. The British horrified at our monetary immorality (which spoiled their little game of regaining unquestioned world ascendancy in trade and money matters). But a good deal of rejoicing also. Managed money idea - promoted by Committee for the Nation - begins to take hold.

September, 1936 - France quits gold amid practically unanimous rejoicing. Financiers delighted. Only important dissent comes from political opposition in France, and that's largely tongue-in-cheek. Five years have elapsed and a move originally viewed as a regrettable repudiation of national obligations - a nefarious knifing of the rights of creditors - has metamorphosed into the world monetary salvation. Some observers with long memories get a laugh out of the change.

STEEL Steel operations at 75.4% of capacity sound grand, although higher percentages were scored during the World War. They are even better than they sound. Production is currently at the rate of 53,000,000 tons of steel ingots a year, as compared to 43,830,000 tons at the peak of the war boom. Only in 1929 was the present rate exceeded, and then by very little.

The point is that theoretical capacity has expanded from 48,700,000 tons in 1918 to 61,000,000 now. Informed sources say the latter figure is pure theory. So many furnaces are obsolete that present production is estimated at more than 90% of actual capacity.

If the demand continues extensive plant renovations and additions are indicated.  
EDUCATION Roosevelt money at 8 to 5 has few takers in New York - yet....A favorable outcome of the power pool conference might lead to market fireworks in utilities....300 unions with 400,000 members are affiliated with the Labor Party in New York....1937 earning outlook for aviation companies bullish.

FOR THE PERSONAL  
NOT FOR RELEASE  
#2846 - 2

"IN USE OF EDITORS: MAY  
THE NATIONAL WHIPLASH  
News Behind the News

WASHINGTON  
By Ira Bennett

RELEASES OF OCT. 2-  
re Newspaper Syndicate  
45 Hudson Street  
New York City

(Note to Editors: This writer will be glad to inquire into any Washington matter of general interest on request of Editors.)

TITLED Whatever the public may be told after the White House utility conference, fundamental facts preclude the success of any plan to pool public and private power in the Tennessee Valley Authority area. It is a deadlock that cannot be broken.

The TVA hovers on the verge of building distributing plants in several large cities. This work is to be done indirectly, it's true, but the word "Go" must come from TVA. That word is withheld because the moment it is uttered the United States government will have entered unmistakably into the business of merchandising electric power. Apparently TVA doesn't dare to take the step in view of the test suit soon to come before the Supreme Court.

\*\*\*\*\*  
STEADFAST Why a deadlock on the conference? Because, according to the utility men, the building of competing distributing systems in Knoxville, Chattanooga, Nashville and Memphis would sound the death of private utility enterprise in that region. Nor can the utility companies sell their own distributing systems and hope to carry on profitable business outside these cities.

The utility men can not surrender—and yet they are loath to utter anything that appears like dog-in-the-manger refusal to meet the government half way. One of them said that, whatever the conference might develop, the Supreme Court test of TVA would be carried on to the end, and that the friends of private enterprise vs. government ownership "need not fear that the utilities would desert them".

\*\*\*\*\*  
CLOUDED Every effort is being made by the administration to head off a waterfront war in San Francisco. Assistant Secretary of Labor McGrady is at the front. Admiral Wiley, head of the new Maritime Commission, will go to San Francisco if necessary. The Commission, however, has no legal jurisdiction over the controversy.

A request by the Commission that the warring factions suspend hostilities until the commission can put the new shipping law into effect is looked for. But the matters at issue at San Francisco go beyond the scope of the new law, which deals with seamen but not longshoremen or truckmen. Employers are determined to abolish the hiring-hall system, which is the unionists' strongest weapon.

FDR may designate the Maritime Commission as federal authority in dealing with the situation. But the real issue—open vs. closed shop—is not a federal question except as it comes under the Wagner act, which itself is under a judicial cloud.

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REGISTRY Democrats have more money than Republicans in Maryland, and are better organized. The Baltimore Sun poll gives FDR a strong lead. In G.O.P. circles the story is circulated that ballots are bought for 10 cents from negro voters. Another story is that some voters suspect that the postal card ballots may be scrutinized and identified by New Deal postmasters and are afraid to vote for Landon.

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ELECTORATES Although heavy registrations are reported in many states the record shows that many millions are nearly as numerous as those who vote. Chairman Farley made a test of new methods of getting out the vote during the primaries in Arkansas and Mississippi. Mr. Clegg will have to be asked to reveal his plans for November 3. Using first voters it is estimated that nearly 65,000,000 persons are now entitled to vote. Millions will fail to register. Few estimates of the total vote to be cast on November 3 run to 45,000,000.

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WOMEN Party leaders are studying the attitude of women voters. In some states the women are extremely active. In the first 21 counties which reported 1936 registrations in Pennsylvania, out of a total of 500,000 of each parties, there were 261,920 women, of whom 157,614 were Republicans and 104,446 Democrats. Women voters outnumbered men in two counties, and in 6 counties Republican women outnumbered Republican men. These 21 counties are mostly rural. The total registration of women voters was 97 per cent that of registered men.

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"I never knew my farm before", writes a farmer to the writer. "I thought I had studied it, but these agents of the Agriculture Department have given me invaluable information. Not one of them talked politics to me. They are purely scientific men, devoted to their professions, and they are just as practical as you could wish."

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COMMODITIES In its ordinary business the government purchases large quantities of standard goods normally carried "on the shelf" or "in stock". The new regulations issued

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issued by the Secretary of Labor, to put the Walsh-Healey act into effect, seem to put a stop to the practice of buying in this fashion, except in small amounts which are authorized without advertising for bids. The effect of the regulation is to force contractors to comply with the labor provisions of the new law. When the bill was before Congress its sponsors stated that purchases of goods "from the shelf" would not come within the purview of the law.

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NEW YORK

By James McMullin

LEAST A notable omission from the list of those invited to the White House power pool conference gives significant support to the contention that the administration really is trying to promote an understanding with the private utilities in the Tennessee Valley area.

Ostensibly the purpose of the parley is to consider what arrangement should be made to replace the existing contract between TVA and Commonwealth & Southern which expires November 1. It is therefore natural that Wendell L. Willkie of this group and Preston Arkwright of its subsidiary Georgia Power should be prominently among those present. A point worth noting is that Commonwealth & Southern ranks high among the "clean" groups even in the critical opinion of New Deal agents. By the same token, Mr. Willkie is one of the few major utility executives who has never been personally identified with any of the financial or accounting practices which the New Dealers have attacked and sought to eliminate in the holding company act.

If FDR were trying to promote a disguised punitive expedition against the utilities in the guise of a friendly get-together - as timorous conservatives have feared - Commonwealth & Southern would be about the least vulnerable target he could choose.

\*\*\*\*\*  
FORTUNATE Carry the analysis a step further. Next to Commonwealth & Southern, Electric Bond & Share has the biggest stake in the Tennessee Valley of any private utility group. Yet you will look in vain for any representative of Electric Bond & Share among the conferees.

It is safe to assume that this is no accident. Bond & Share was picked from among all the non-registering holding companies as the best subject from the administration's viewpoint on which to test the legal validity of the holding company act. Government lawyers believe they have an excellent chance of proving that this group has practiced most of the alleged abuses which the holding company act seeks to correct.

So what? So the keenest New York observers are convinced that if FDR intended to use the power pool parley as the springboard for another assault on the utilities he would certainly have seen to it that Electric Bond & Share was among those present. Conversely, if he seriously plans a peace pact with the industry he presumably prefers to negotiate it with the "purest" company he can find - not one of the allegedly most villainous. Therefore his choice of power pool conferees is rated a fortunate omen for the industry.

(Note to Editors: This writer will be glad to inquire into any Washington matter of general interest on request of Editors.)

**WILDFIRE** Whatever the public may be told at the White House utility conference, fundamental facts preclude the success of any plan to pool public and private power in the Tennessee Valley area. It is a deadlock that cannot be broken.

The TVA hovers on the verge of building distributing plants in several large cities. This work is to be done indirectly, it's true, but the word "Go" must come from TVA. That word is withheld because the moment it is uttered the United States government will have entered unmistakably into the business of merchandising electric power. Apparently TVA doesn't care to take the step in view of the test suit soon to come before the Supreme Court.

**STEELCAST** Why a deadlock on the conference? Because, according to the utility men, the building of competing distributing systems in Knoxville, Chattanooga, Nashville and Memphis would sound the doom of private utility enterprise in that region. Nor can the utility companies sell their own distributing systems and hope to carry on a profitable business outside those cities.

The utility men can not surrender--and yet they are loath to utter anything that appears like dog-in-the-manger refusal to meet the government half way. One of them said that, whatever the conference might develop, the Supreme Court test of TVA would be carried on to the end, and that the friends of private enterprise vs. government ownership "need not fear that the utilities would desert them".

**LOUDER** Every effort is being made by the administration to head off a waterfront strike in San Francisco. Assistant Secretary of Labor McGrady is at the front. Admiral Wilcy, head of the new Maritime Commission, will go to San Francisco if necessary.

The Commission, however, has no legal jurisdiction over the controversy. A request by the Commission that the warring factions suspend hostilities until the commission can put the new shipping law into effect is looked for. But the matters at issue at San Francisco go beyond the scope of the new law, which deals with seamen but not longshoremen or truckmen. Employers are determined to abolish the hiring-hall system, which is the unionists' strongest weapon.

FDR may designate the Maritime Commission as federal authority in dealing with such situations. But the real issue --open vs. closed shop-- is not a federal question except as it comes under the Wagner act, which itself is under a judicial cloud.

**REGISTRY** Democrats have more money than Republicans in Maryland, and are better organized. The Baltimore Sun poll gives FDR a strong lead. In G.O.P. circles the story is circulated that ballots are bought for 10 cents from negro voters. Another story is that some voters suspect that the postal card ballots may be scrutinized and identified by New Deal postmasters and are afraid to vote for Landon.

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**REGISTERED** Although heavy registrations are reported in many states the record shows that stay-at-homes are nearly as numerous as those who vote. Chairman Farley made a point of new methods of getting out the vote during the primaries in Arkansas and Mississippi, and the G.O.P. will have to be on its toes to equal his play for November 3.

Counting first voters it is estimated that nearly 65,000,000 persons are now entitled to vote. Millions will fail to register. Few estimates of the total vote to be cast on November 3 run to 45,000,000.

**WOMEN** Party leaders are studying the attitude of women voters. In some states the women are extremely active. In the first 21 counties which reported 1936 registrations in Pennsylvania, out of a total of 508,000 of both parties, there were 261,920 women, of whom 157,654 were Republicans and 86,845 Democrats. Women voters outnumber men in two counties, and in 6 counties Republican women outnumbered Republican men. These 21 counties are mostly rural. The total registration of women voters was 97 percent that of registered men.

**PRACTICAL** Direct reports from up-to-date farmers indicate that they are well pleased with the soil erosion program. Experts show them how to plant erosion resisting crops, how to run ditches and terraces, and how to cover the soil. These agents facilitate trades between farmers, whereby one furnishes locust posts to another who swaps brush and limestone.

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**COMPLIANCE** In its ordinary business the government purchases large quantities of standard goods normally carried "on the shelf" or "in stock". The new regulations issued

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News Behind the News

RELEASES OF OCT., 2-3  
The Newspaper Syndicate  
15 Hudson Street  
New York City

WASHINGTON

By Ira Bennett

(Note to Editors: This writer will be glad to inquire into any Washington matter of general interest on request of Editors.)

~~WITHHELD~~ Whatever the public may be told after the White House utility conference, fundamental facts preclude the success of any plan to pool public and private power in the Tennessee Valley Authority area. It is a deadlock that cannot be broken.

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advised by the Secretary of Labor, to put ~~the~~ industry act into effect, seems to be to the practice of buying in this ~~industry~~ except in small amounts which are authorized without advertising for bids. The effect of the regulation is to force contractors to comply with the labor provisions of the new law. When the bill was before Congress its sponsors stated that purchases of goods "from the shelf" would not come within the purview of the law.

**PROTECTION** Before election day it is expected that large numbers of emergency employees will be "covered" into civil service. This may be construed as a precautionary move, to insure jobs for Democrats now in office against possible party disaster in November. Preliminary steps have been taken indicating that most of the Home Owners Loan Corporation personnel will be placed under civil service without examination.

**REGULATION** Railroad men complain that the Interstate Commerce Commission is "mighty slow" in regulating competing truck lines. The Commission has extended until Dec. 1 the requirement for registration of trucking contracts, so as to give time to separate truck lines from common carriers. Gradually the Commission is moving toward complete regulation of interstate truck carriers.

#### NEW YORK

*By James McMullan*  
**EAST** A notable omission from the list of those invited to the White House power pool conference gives significant support to the contention that the administration really is trying to promote an understanding with the private utilities in the Monongahela area.

Undoubtedly the purpose of the party is to consider what arrangement should be made to replace the existing contract between PWA and Commonwealth & Southern which expires November 1. It is therefore natural that Wendell L. Willkie of this group and Preston Archibald of its subsidiary Georgia Power should be prominently among those present. A point worth noting is that Commonwealth & Southern stands high among the "clean" groups given in the critical opinion of New Deal agents. By the same token Mr. Willkie is one of the few major utility executives who has never been personally identified with any of the financial or accounting practices which the New Dealers have attacked and sought to eliminate in the holding company act.

If FDR were trying to promote a disguised punitive expedition against the utilities in the guise of a friendly get-together, as bigoted conservatives have favored, Commonwealth & Southern would be about the least vulnerable target he could shoot.

**UNFORTUNATE** Carry the analysis a step further. Next to Commonwealth & Southern, Exco. Electric Bond & Share has the biggest stake in the Monongahela Valley of any private utility group. Let us look in vain for any representative of Electric Bond & Share among the conferees.

It is safe to assume that this is no accident. Bond & Share was picked from among all the non-registering holding companies as the best subject from the administration's viewpoint on which to test the legal validity of the holding company act. Government lawyers believe they have an excellent chance of proving that this group has practiced most of the alleged abuses which the holding company act seeks to correct.

So what? So the keenest New York observers are convinced that if FDR intended to use the power pool party as the springboard for another assault on the utilities he would certainly have seen to it that Electric Bond & Share was among those present. Conversely, if he seriously plans a peace pact with the industry he presumably prefers to negotiate it with the "purest" company he can find - not one of the allegedly most villainous. Therefore his choice of power pool conferees is rated unfortunate news for the industry.

**COOPERATION** President Charles L. Gey launched quietly with President Roosevelt last week. The morning following the luncheon Mr. Gey personally got in touch with a number of leading financial houses and urged them in the strongest terms not to participate in any transactions involving French francs. With a few minor exceptions, his request was honored 100%. This is one of the main reasons why franc devaluation stirred up a minimum of reaction in the American speculative markets.

**DRY** This little drought yarn is currently popular in New York. A western humorist said he knew that his town was the hardest hit of all by the dry spell because he saw four trees chasing one dog down Main Street.

RICHARD MULLER, Editor

The National Whirligig  
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25 October 1936

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RICHARD WELD, Editor

Federal Bureau of Investigation  
United States Department of Justice

New York, New York

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February 4, 1941

Mr. Tolson .....
Mr. E. A. Tamm .....
Mr. Clegg .....
Mr. Edwards .....
Mr. Nathan .....
Mr. Land .....
Mr. Glevin .....
Mr. Nichols .....
Mr. Hendon .....
Mr. Rosen .....
Mr. Tracy .....
Miss Gandy .....
<b>FILE</b>

~~PERSONAL & CONFIDENTIAL~~

Director  
Federal Bureau of Investigation  
Washington, D. C.

Dear Sir:

RE: THE FREE AMERICAN & DEUTSCHER WECKRUF  
& BEOBACHTER  
Registration Act

[REDACTED]

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Attached hereto is the clipping of the column "CAPITOL STUFF" of the January 13, 1941 Daily News.

Very truly yours,

B. E. Sackett

B. E. SACKETT  
Special Agent in Charge

ENCLOSURES 2

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# Kills His Two Sons With Ax, Tries Suicide

By ARTHUR BIXON

A pugnacious lumberjack and devoted father who didn't budge convinced his two sons were not worth



and with the insanity to which he believed himself a victim, yesterday became a mad slayer. He hacked in the heads of the boys with an ax as they lay sleeping and then tried to take his own life by asphyxiation.

The father, John Behmer, 41, stepped quietly out of bed in his home at 8715 Third Ave., North



Detective Edward F. Forni holds on with which John Behmer slew his two small sons.

Bergen, N. J., shortly before 6:30 A. M. to commit the double murder. His wife, Emma, 37, was crushed by means of the boys.

Despite fearful injuries, the older boy, John Jr., lived nearly four hours. The younger, Robert, S., lagged for two hours.

Don't Realize His Act.

Behmer, owner of the John Behmer Lumber Mills at Guttenberg, N. J., revived completely from the effects of the gas in North Bergen Hospital, where his sons died. But he was babbling and muttering. Police, who tried to question him, were convinced he had no realization of his deed.

Two charges of murder and one of attempted suicide were placed against him. Later he was transferred to the hospital in Hudson County jail, Jersey City.

Mrs. Behmer, an employee of the lumber mills, told Capt. Joseph Strobel of the North Bergen police that she found Robert in his crib, his head covered with blood. John Jr. was on his bed completely covered with a blanket.

With the younger boy in her arms, she rushed to the home of a neighbor, Louis Larson, at 8717 Third Ave., who summoned an emer-

# U.S. ATTACHES SHIFTED IN NAZI KICK, FLY HOME

By WALTER KAIL

Three members of the American Embassy, still in Paris, who were transferred at the demand of German officials for aiding a British officer, are on their way home on the *Yankee Clipper*. The three arrived yesterday.

The three, Mrs. Dorothy Douglass of Atlanta, U. S. chargé d'affaires at the Embassy, whose son was abducted by a Nazi and held prisoner for 10 days while they negotiated.

John Cross, 36, 1st Assistant of the U. S. Legation, who was held up at the Americo by bad weather but was enabled to take off at 6 A. M. today and should arrive at LaGuardia Field at 1:45 P. M. tomorrow.

Chancellor of Germany.

The other two diplomats are George Shultz, 36, who was made first secretary and counsel at the Embassy last February, and Leigh W. Hunt, second secretary, who took his post the previous December.

Both Cross and Hunt, the Nazis charged, conspired with Mrs. Douglass to help a British officer flee from occupied France.

Furthermore, Cross was charged with having hidden for me the in the Embassy building a British Secret Service agent. The agent finally was arrested outside the building, the Germans said, and confessed espionage against Germany while he was in the Embassy hideout.

The three had been transferred temporarily to the American Ministry in Lisbon after the Germans insisted on their removal. It was presumed they were on their way here to give their side of the story to the State Department.

Mrs. Douglass, who has a 14-year-old daughter and a divorced husband in Huntsville, Ala., had been at the Embassy since 1936. Two German civilians invited her on Dec. 1 to "visit friends" at Chercos-Midi Prison. She was questioned there, then taken to a small hotel where she was held until Dec. 14 despite protests of officials.

## The Neighbors

By George Clark



"You think it's wonderful that I have parents who stay so young. And I think you're just plain weird."

# CAPITOL STUFF

## SEE KENNEDY EAGER TO HIT WAR-AID BILL

By JOHN O'DONNELL AND DORIS FLEKSEN

Washington, D. C., Jan. 12.—That expert angler, Franklin D. Roosevelt, is keeping his old friend Joseph P. Kennedy on the hook of diplomatic clams with surprising skill these days. For the time-being, F.D.R. has prevented his war Ambassador to London from making a slam-hang attack on P.D.R.'s foreign policy and on the Administration's aid to Britain bill, which exploded on Capitol Hill Friday.

Until F. D. R. makes a new appointment to the Court of Appeals, Kennedy is mired in the *Hooverite* line with the Parkman-Clegg case and is unable to move out of the bill.

Kennedy is struggling to get off that hook and regain independence of speech and action. Bonito and bonefins of the sweeping one-man powers granted Roosevelt in his lend-lease bill want Kennedy to tell him and the nation what it means.

He is also under pressure to give a friendly fight to a British, with no bones, until Germany is crushed, and to tell them, and Turkey, the two allies of the British Government, what they affect the United States.

In the capital this week-end, persons who believe that the lend-lease bill is a long bow down the road to dictatorship and war were asking to secret what they will soon blurt in public: That the President is deliberately holding up the appointment of Kennedy's successor in London because he wants to keep Kennedy on the hook and plant until the aid-Britain legislation—Bill 1776—has become the law of the land.

Whether Roosevelt's delay in naming Kennedy free is merely innocent difficulty of selecting his all-important successor, the result—Kennedy's enforced silence—is the same as if it were motivated by the cunning and sly motives charged by Roosevelt's bitterest enemies. Certainly, Kennedy's fair-weather friends, now bonito, in the State Department, have turned on him savagely and the news pipe-lines from the inner sanctums are showing out the sewage in a smear-Kennedy campaign with pliers seal.

It has become a common-place here in Washington for the fire-eating warriors of the war-propaganda typewriters to accuse anyone who isn't for immediate spilling of American blood of being pro-Nazi, anti-Semitic, socially undesirable, thoroughly un-American, of doubtful honesty, suspect loyalty, and at the very least a low fellow who should certainly be kept under the eye of the gendarmes.

The boys tossed many of these epithets at Kennedy orally here. Only the Modo boys have kept some of the choicer phrases buried at the non-interventionists and isolationists out of print. What is startling about it all is the speed of the change of the war party toward Kennedy.

On Oct. 27 Kennedy returned from London, where, as the greatest Roosevelt told his campaign audience in Boston, the Ambassador "steered on the course where peace, war, fighting, negotiation, diplomacy" lay. Two days after his arrival, Kennedy delivered the vitally important Parkman-Clegg address which had been for Roosevelt the wavering signal of the TRW-Gardiner vote of the groups who feared F. D. R.'s foreign policy might lead the nation closer to war. Since when Kennedy's appeal dissipated.

Kennedy was then the white-handed boy, hailed as the returning hero, which in fact he was, and Roosevelt, reading his ambassador's speech, proclaimed his Oct. 28 pledge "to you mothers and fathers your boys are not going to be sent into any foreign war."

His effort for Roosevelt finished, Kennedy submitted his resignation. The Boston financier, one of the five original F.D.R. supporters who contributed \$10,000 each to launch Roosevelt's battle for the '32 nomination, told the boss he wanted to quit public life. He had done three big jobs—launched the Securities and Exchange Commission and the Maritime Commission and served as Ambassador to London. Kennedy submitted his resignation Nov. 6 and drew the final month's pay of his \$15,000 a year salary as Ambassador on Dec. 1.

But Kennedy was kept "on the hook." Kennedy left the White House with the understanding he was to carry on with the job for the brief time until his successor was named and confirmed by the Senate.

Since that date, neither White House nor State Department has used or attempted to use Kennedy, with his first-hand knowledge of British war politics, when they want to work on the dramatic post-election developments of the Administration's policy toward the European war. Not once has Kennedy been consulted or his information or judgment requested in the shaping of events in the last weeks. So far as the State Department is concerned the only exchanges with the reticent ambassador and other Hull and Undersecretary Welles have been Kennedy's impatent reports as to when he could shuffle off the official bonds and the State Department replies that everything rested on the President's appointment of his successor.

In cold fact, Joe Kennedy was effectively unseated and the non-interventionists are demanding why.

The foes of Roosevelt's foreign policy and the aid-Britain bill—such as Senators Wheeler of Montana, Clark of Missouri and Vandenberg of Michigan—are determined to get Kennedy's story into the record regardless of what Kennedy may personally feel about the circumstances of leaving the Administration "after a nasty row." Wheeler points out that Kennedy can be subpoenaed and a contempt threat held over his head if he doesn't tell the Senate everything his whole story. The coming Senate of Bill 1776, production锦旗, will be

(Continued on following page)



Joseph P. Kennedy  
Diplomatic alliance unknown?

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OFFICE OF DIRECTOR  
FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

June 11

[REDACTED] came in with a [REDACTED]  
and inquired if arrangements could be made to  
take them thru on a tour. Upon advice from [REDACTED]  
a special tour was arranged.

[REDACTED] stated that he had talked with  
Joseph A Kennedy who is very close to [REDACTED]  
and told him that he should try to get over and  
go thru the Bureau and that he hoped if Mr. Kennedy  
came in the Director would find a moment to say  
hello to him. cek

Mr. Nathan.....  
Mr. Tolson.....  
Mr. Daughman.....  
Mr. Clegg.....  
Mr. Coffey.....  
Mr. Dawsey.....  
Mr. Egan.....  
Mr. Foxworth.....  
Mr. Glavin.....  
Mr. Harbo.....  
Mr. Joseph.....  
Mr. Lester.....  
Mr. Nichols.....  
Mr. Quinn.....  
Mr. Schieber.....  
Mr. Tamm.....  
Mr. Tracy.....  
Miss Gandy.....  
Mr. Kinkaid.....

I will be glad to  
see them.

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&  
INDEXED. 602-21703-9X

94-2-3234

FEDERAL BUREAU OF INVESTIGATION

JUN 15 1967 P. M.

U. S. DEPARTMENT OF JUSTICE

SEP 13 1967

September 22, 1953

MEMORANDUM FOR MR. TOLSON  
from MR. NICHOLS

On Saturday, September 19, former Ambassador Joseph P. Kennedy called me from his home at Hyannis Port, Massachusetts, and stated he had been to see [redacted]

[redacted] talked with [redacted] concerning the columns [redacted] had recently written attacking and criticizing the FBI in civil rights cases. Ambassador Kennedy stated he believed he had completely straightened [redacted] out as to the facts in this matter and that [redacted] would, no doubt, in the near future contact Mr. Nichols of the Bureau as [redacted] seemed to be desirous of dropping the matter and making his peace with the FBI. Ambassador Kennedy stated he thought it might be well for Mr. Nichols to see [redacted] should he endeavor to contact him. I thanked Mr. Kennedy for his interest in this matter.

Very truly yours,

J. E. H.

John Edgar Hoover  
Director

RECORDED - 25

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162-36434-300

SEP 23 1953

130

SENT FROM D. C.  
TIME 7:50 PM  
DATE 9-22-53  
BY 2M

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harms \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Geary \_\_\_\_\_  
Mohr \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
Sizoo \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

SEH:mpd

337

27 SET 21

65

JOHN EDGAR HOOVER  
DIRECTOR

Federal Bureau of Investigation  
United States Department of Justice  
Washington, D. C.

(B)  
(C)

June 25, 1938

MEMORANDUM FOR MR. CLEGG

Mr. Tolson  
Mr. Rosen  
Mr. Quinn  
Mr. Glavin  
Mr. E. Clegg  
Mr. DeLoach  
Miss Edwards  
Mr. Edwards  
Mr. Quinn  
Mr. Tolson  
Mr. Quinn  
Mr. Tolson  
Mr. Edwards  
Mr. Quinn  
Mr. Tolson

During my stay in England, while attending the course for Detective Inspectors and Sergeants at Hendon, members of the American Embassy, 1 Grosvenor Square, were extremely courteous.

Shortly after my arrival, Mr. Franklin C. Gowen contacted me through Chief Constable John E. Horwell, and invited me to call at the Embassy. I called upon Mr. Gowen in the afternoon and at that time presented him with a card from Mrs. Ruth Shipley, Chief, Passport Division, State Department, who is a personal friend of his.

Mr. Gowen introduced me to Consul General Douglas Jenkins and made arrangements for a luncheon on the following day. He also insisted that I join him at a formal premiere showing at the Empire Theatre the next evening, which invitation I accepted, and that evening I attended the Theatre with Consul General Jenkins, Mrs. Jenkins and Mr. Gowen. I attended Mr. Gowen's luncheon at the American Club, 95 Piccadilly, and met his guests, Sir Ernest Holderness, Permanent Under-Secretary of State in charge of Aliens; Colonel Scanlon, United States Air Attaché for London and a Mr. Catlett, former President of the American Chamber of Commerce at London. Mr. Douglas Jenkins was also in attendance. The conversation during the luncheon was largely focused on the Bureau and the wonderful work of the Director.

During my attendance of the course at Hendon, it was impossible to see Mr. Gowen or members of the Embassy but I learned that he had kept in touch with the Yard to ask of my welfare. Subsequent to the course, I contacted Mr. Gowen by telephone and met a friend of his, a Mr. Dowrick, Manager of the American Express Office in London, who rendered assistance in arranging for my departure. I later called upon Mr. Gowen at the Embassy at which time he congratulated me upon the highly successful completion of the school and upon the appropriate remarks made at the formal farewell gathering for Messrs. Harry Battley and A. W. Askew at New Scotland Yard.

He introduced me to Ambassador Joseph Kennedy at which time I expressed the Bureau's appreciation for the assistance of the State Department. Mr. Kennedy, at that time, instructed Mr. Gowen to prepare a very cordial letter to The Right Honorable Sir Samuel J. G. Hoare, Bt., G.C.S.I., G.B.E., C.M.G., M.P., Secretary of State, thanking him for the many courtesies extended the representative of the FBI. He instructed Mr. Gowen to make it more than a thank you note and to include the names of those persons responsible for making the visit a success.

SEARCHED 62-39749-21  
SERIALIZED #24604  
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DATE 10-12-2012 BY SPK

66

Memorandum for Mr. Clegg

- 2 -

June 25, 1938

thank him on the Director's behalf for the many courtesies extended.

On the evening of June 7, 1938, I afforded Mr. Gowen a seven course dinner as a further token of our appreciation for his services. Mr. Gowen advised me that he was positive a letter would be directed to Mr. Cordell Hull advising him of the highly successful visit of the representative of the FBI to Scotland Yard and of the warm feeling of friendship which was created by this visit.

I arrived at Southampton preparatory to sailing on the SS President Roosevelt and Vice Consul Paul Cameron ~~Geddicum~~ was there to meet me and render any assistance possible.

It is suggested that a letter of appreciation be prepared for the Attorney General's signature and directed to Mr. Cordell Hull, advising him of the services of the members of the American Embassy in London. This letter is prepared and attached.

Respectfully,

(b)(7C)

Enclosure

67

## **BOOKED**

202, 203

62-39749-21

The Envoy,  
The Secretary of State,  
Washington, D. C.

**Dear Mr. Begett:**

I have been advised by Mr. J. Edgar Hoover, Director, Federal Bureau of Investigation, that Special Agent [REDACTED], who has just returned from attendance at the school for Detective Inspectors and Sergeants, conducted by the Metropolitan Police Department of New Scotland Yard, London, England, was afforded every courtesy by the Ambassador, Mr. Joseph Kennedy; the Consul General, Mr. Douglas Jeckins; and Mr. Franklin C. Cowen, American Consul at London.

Mr. Cowen exercised not only his official influence but gave his personal attention to assure the ~~two~~ received every consideration. Through his previously established close relationship with the Metropolitan Police Department at New Scotland Yard, Mr. Cowen was able to render valuable aid.

I do want to thank you for this most excellent assistance.

With kind regards,

Sincerely yours,

**Attorney General.**

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# FEDERAL BUREAU OF INVESTIGATION

Form No. 1  
THIS CASE ORIGINATED AT NEW YORK, NEW YORK

FILE NO. 62-375 1hm

REPORT MADE AT <b>BOSTON, MASS.</b>	DATE WHEN MADE <b>5/22/59</b>	PERIOD FOR WHICH MADE <b>5-11, 13, 15-18; 59</b> <b>5/22/59</b>	REPORT MADE BY [REDACTED]
TITLE [REDACTED]	[REDACTED]	[REDACTED]	CHARACTER OF CASE <b>INFORMATION CONCERNING</b>

SYNOPSIS OF FACTS:

~~STRICTLY~~

~~CONFIDENTIAL~~

L12  
3

Reviewed

(D)  
(A)  
(C)

1

ENCLO. BEHIND FILE - P

REFERENCE: Report of Special Agent [REDACTED] Boston, dated 4/25/59  
Letter to [REDACTED] Boston, dated 5/22/59.

APPROVED AND FORWARDED: [Signature]

NOTICE: DO NOT REMOVE FROM THIS OFFICE

62-3440-51 JUN 16 1959

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- 4 New York (Incls)
- 5 Boston

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BY [REDACTED]

DECLASSIFIED BY  
ON 10/13/2017 SP201700

1CCAB 6-8-89

#846249

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13751

After HAMLIN left office the end of August 1933 KELLEY was Acting District Supervisor until FITZGERALD'S temporary appointment as District Supervisor of the Bureau of Industrial Alcohol on 10/5/33.

(b)  
(c)

13752

FITZGERALD had formerly operated a saloon in Boston. He was the brother of JOHN F. FITZGERALD, formerly Mayor of Boston, and related by marriage to JOSEPH KENNEDY, present Ambassador to England. About the time that FITZGERALD was appointed, KENNEDY and JAMES ROOSEVELT, son of the President, took a trip to England together, and the appointment of FITZGERALD was reputed to be based partly upon his

13753

connections with KENNEDY and JAMES ROOSEVELT

2436

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Los Angeles, California  
April 27, 1945

MEMORANDUM FOR THE DIRECTOR:

Re: [REDACTED]

In accordance with your request, the following information is submitted concerning the above individual.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b) (7) (C)

Mr. Janice  
S. S. R.  
5-4

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